

ALLEGHENY COUNTY
DEPARTMENT OF HUMAN SERVICES
BUREAU OF CONTRACTS AND COMPLIANCE

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PROVIDER AUDIT GUIDELINES



Allegheny County
DEPARTMENT OF HUMAN SERVICES
One Smithfield Street, Suite 300
Pittsburgh, Pennsylvania 15222-2221
Marc Cherna, Director

*Effective for all Audits Submitted for Fiscal Years
Beginning on or After July 1, 2015*

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I. General Information

Overview

In accordance with your program's contract agreement with Allegheny County Department of Human Services (ACDHS), depending on the level of funding received an audit of the financial transactions related to the contract may be required. Enclosed are audit guideline materials to assist you in meeting those requirements **in addition to any federal and state requirements.**

This manual is designed to assist auditors in performing audits of:

- Office of Community Services (OCS)
- Behavioral Health (D&A and MH)
- Intellectual Disability (MR, including Waiver)
- Children, Youth, and Families (CYF)
- Human Services Development Fund (HSDF)
- Area Agency on Aging (Aging)
- Behavioral Health – Early Intervention

These audits must be performed in accordance with Generally Accepted Government Auditing Standards (GAGAS)/Yellow Book, issued by the Comptroller General of the United States, as well as generally accepted auditing standards. The financial statements are to be prepared in conformity with the accounting practices prescribed by the applicable regulations which may be a comprehensive basis of accounting other than generally accepted accounting principles. The audit reports are used by Allegheny County program managers to meet their responsibilities in overseeing programs and assuring the integrity of the funds. Instances of noncompliance and internal control weaknesses noted in these reports must be acted upon by program managers.

Agencies may satisfy the audit requirements by obtaining an audit in accordance with the Single Audit Act Amendments of 1996 and Office of Management and Budget (*OMB*) Uniform Guidance for Federal Awards. Either a Program Specific Audit or an organization-wide Single Audit, performed in accordance with federal and state requirements, is acceptable.

Audit Objectives

The independent auditor must conduct the audit in accordance with GAGAS as issued by the Comptroller General of the United States, The Single Audit Act Amendments of 1996, OMB Uniform Guidance for Federal Awards Compliance Supplement, June 2016 (as appropriate), and the requirements listed within these guidelines. **The independent auditor must ensure that the provider is in material compliance with all regulations applicable to the provider programs.**

These requirements apply to OCS, BH, ID, CYF, HSDF, BH – EI and Aging.

I. General Information

Audit Fees

The cost of the audit made in accordance with the provisions of the Single Audit Act Amendment, OMB Uniform Guidance for Federal Awards (*Cost Principles, Audit and Administrative Requirements for Federal Awards*), Yellow Book, state regulations, and audit guidance are allowable charges to federal and state awards. Providers with federal awards totaling less than \$750,000 are not required to have an audit performed; therefore, audit costs **are not chargeable** to federal, state or county programs. Note: **exceptions** to this rule exist with funding from The Commonwealth of Pennsylvania Department of Human Services (DHS) and the Pennsylvania Department of Health (DDAP). Each has unique audit requirements which include using state funds for determining audit requirements. Please refer to the individual program areas within this manual for additional guidance.

If the audit covers program expenditures funded by sources other than Allegheny County DHS, the audit fee must be prorated. The audit fee must also be appropriately prorated between the different programs within the Allegheny County contract. Please note: Audit costs must be built into the provider's budget to be reimbursable.

Due Dates

One copy of a complete audit report package, which includes all audit reports/opinions, financial statements, supplementary schedules, Independent Accountant's Report on Applying Agreed-Upon Procedures Report (AUP), Corrective Action Plan (where findings are present), and the Management Letter, if issued, must be received by:

Mr. Darnell Moses, Administrator
Allegheny County Department of Human Services
Bureau of Contracts and Compliance
One Smithfield Street, Suite 300
Pittsburgh, Pennsylvania 15222-2221

Or submitted electronically to:

Lisa Impavido at Lisa.Impavido@AlleghenyCounty.US or
Joel Rubin at Joel.Rubin@AlleghenyCounty.US

All June 30th fiscal yearend audit report packages are now **due on March 31 of the following year, (9 months) from the end of the agency fiscal year**. However, once an agency receives its final allocation, earlier submission is encouraged.

When the agency's fiscal year differs from Allegheny County DHS's June 30th fiscal year, the audit is due by the last day of the ninth month following the agency's fiscal year end. Furthermore, the agency's audit must provide Allegheny County supplementary schedules presented on the Allegheny County June 30th fiscal year that ended within the agency's fiscal year end.

I. General Information

Extensions

If the audit report package cannot be submitted by the due date, a written request for an extension must be submitted to the Administrator, Allegheny County DHS Bureau of Contracts and Compliance before the above due date(s).

II. General Audit Requirements

A. Federally Mandated Audit Requirements

OMB Uniform Guidance for Federal Awards

The provider must comply with all federal and state audit requirements including the *Single Audit Act*, as amended, Office of Management and Budget (OMB) Uniform Guidance for Federal Awards, *Cost Principles, Audit and Administrative Requirements for Federal Awards*, any other applicable laws or regulations, and any amendment to such other applicable laws or regulations which may be enacted or promulgated by federal or state government.

Local Government or Non-Profit Organizations

If the provider **expends** total federal awards of \$750,000 or more (from ALL funding sources) during its fiscal year, either directly from the federal government or indirectly from a recipient of federal funds, the provider is required to have a Single Audit or Program Specific Audit made in accordance with the provisions of OMB Uniform Guidance for Federal Awards.

If the provider **expends** total federal awards of less than \$750,000 (from ALL funding sources) during its fiscal year, it is exempt from the above audit requirements. However, it is required to maintain auditable records of federal and any state or local funds that supplement such awards, and to provide access to such records by federal, state and local agencies or their designees for a period of at least three years.

For-Profit Organizations

Although OMB Uniform Guidance for Federal Awards does not apply to for-profit organizations, a provider agency is not exempt from reporting requirements simply because it is a for-profit agency. Many of the state departments that provide state funding require a GAGAS/Yellow Book audit to be performed. For-profit providers need to review the specific program areas in this manual for guidance. Additionally, the contract with a for-profit subrecipient will describe applicable compliance requirements and responsibilities. Methods to ensure compliance for federal awards made to for-profit subrecipients may include, but are not limited to pre-award audits, monitoring during the contract, and post-award audits.

II. General Audit Requirements

B. Types of Federal Audits

1. Single Audits Under OMB Uniform Guidance for Federal Awards

General: The audit shall be conducted in accordance with GAGAS/Yellow Book. The audit shall cover the entire operations of the auditee, or at the option of the auditee, such audit shall include a series of audits that cover departments, agencies, and other organizational units which **expended**, or otherwise administered federal awards during such fiscal year. Each such audit shall encompass the financial statements and Schedule of Expenditures of Federal Awards for each such department, agency and other organizational unit which shall be considered to be a non-federal entity. The financial statements and Schedule of Expenditures of Federal Awards shall be for the same fiscal year.

Financial Statements: The auditor shall determine whether the financial statements of the auditee are presented fairly in all material respects in conformity with generally accepted accounting principles. The auditor shall also determine whether the Schedule of Expenditures of Federal Awards is presented fairly in all material respects in relation to the auditee's financial statements taken as a whole.

Internal Control: In addition to the requirements of GAGAS/Yellow Book, the auditor shall perform procedures to obtain an understanding of internal control over federal programs sufficient to plan the audit to support a low-assessed, level-of-control risk for major programs.

Compliance: In addition to the requirements of GAGAS/Yellow Book, the auditor shall determine whether the auditee has complied with laws, regulations, and the provisions of contracts or grant agreements that may have a direct or material effect on each of its major programs.

Audit Follow-up: The auditor shall follow-up on prior-audit findings, perform procedures to assess the reasonableness of the Summary Schedule of Prior Year Audit Findings prepared by the auditee, and report, as a current-year audit finding, when the auditor concludes that the Summary Schedule of Prior Year Audit Findings materially misrepresents the status of any prior-audit finding. The auditor shall perform audit follow-up procedures regardless of whether a prior-audit finding relates to a major program in the current year.

II. General Audit Requirements

B. Types of Federal Audits

1. Single Audits Under OMB Uniform Guidance for Federal Awards (continued)

Required Reports for the Single Audit

- Report of Independent Certified Public Accountants
- Basic Financial Statements and Schedule of Expenditures of Federal Awards
- Report of Independent Certified Public Accountants on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements performed in accordance with Government Auditing Standards (GAGAS)
- Report on Compliance with Requirements Applicable to each major program and Internal Control over Compliance in Accordance with OMB Uniform Guidance for Federal Awards.
- Schedule of Findings and Questioned Costs
- Summary Schedule of Prior Year Audit Findings
- Corrective Action Plan (CAP)
- AUP report and supplemental schedules as detailed in this manual
- Management Letter comments, if issued

Additional detailed guidance is provided in:

- OMB Uniform Guidance for Federal Awards – Revised December 2014, Cost Principles, Audit and Administrative requirements for Federal Awards
- OMB Uniform Guidance for Federal Awards Compliance Supplement, June 2016
- Single Audit Act Amendments of 1996, Public Law 104-156; S.1579, 104 P.L. 156 110 Stat. 1936, 1996 Enacted S. 1579; 104 Enacted S. 1579

II. General Audit Requirements

B. Types of Federal Audits

2. Program Specific Audits Under OMB Uniform Guidance for Federal Awards

A subrecipient that expends \$750,000 or more a year in federal awards may elect to have a Program Specific Audit, an audit of one federal program, rather than a Single Audit, if both of the following criteria are met:

- The subrecipient expends federal awards under only one program (CFDA No.) excluding research and development.

and

- The federal program's laws, regulations, or grant requirements do not require a financial statement audit.

Many federal assistance programs will have a Program Specific Audit Guide (the guide) available. The auditor should contact the Office of the Inspector General of the federal agency to determine whether such a guide is available. If a guide exists, it must be followed.

Program Specific Audit Guide available: A Program Specific Audit Guide will provide specific guidance to the auditor with respect to internal control, compliance requirements, suggested audit procedures, and audit reporting requirements. The Office of the Inspector General of the federal agency should be contacted by the auditor to obtain the most current guide. The auditor shall follow GAGAS/Yellow Book and the guide when performing a Program Specific Audit.

In instances where a Federal Program Specific Audit Guide is available, the audit report package for a Program Specific Audit may be different and should be prepared in accordance with the audit guide and OMB Uniform Guidance for Federal Awards.

Program Specific Audit Guide not available: The auditee and auditor shall have, basically, the same responsibilities for the federal program as they would have for an audit of a major program in a Single Audit.

The auditor must perform an audit of the financial statement(s) for the federal program in accordance with GAGAS/Yellow Book, must obtain an understanding of the provider's internal control, and perform tests of internal control as would be required for a major program. Also, the auditor must determine whether the auditee has complied with laws, regulations, and the provision of the grant agreements that could have a direct and material effect on the program as would be required for a major program.

II. General Audit Requirements

B. Types of Federal Audits

2. Program Specific Audits Under OMB Uniform Guidance for Federal Awards (continued)

Audit Follow-up: The auditor shall follow-up on prior-audit findings, perform procedures to assess the reasonableness of the Summary Schedule of Prior Year Audit Findings prepared by the auditee, and report, as a current-year audit finding, when the auditor concludes that the Summary Schedule of Prior Year Audit Findings materially misrepresents the status of any prior-audit finding. The auditor shall perform audit follow-up procedures regardless of whether a prior-audit finding relates to a major program in the current year.

Required Reports for the Program Specific Audit

- Report of Independent Certified Public Accountants
- Basic Financial Statement(s) for the federal program that includes, at a minimum, a Schedule of Expenditures of Federal Awards for the program and notes that describe the significant accounting policies used in preparing the schedule
- Auditor's Report on Compliance and Internal Control over Financial Reporting in accordance with Generally Accepted Government Auditing Standards (GAGAS)
- Schedule of Findings and Questioned costs
- Schedule of Status of Prior Year Findings and Questioned costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (see Appendix A)
- Management Letter comments, if issued

Additional detailed guidance is provided in:

- OMB Uniform Guidance for Federal Awards – Revised December 2014, Cost Principles, Audit and Administrative requirements for Federal Awards
- OMB Uniform Guidance for Federal Awards Compliance Supplement, June 2016
- Single Audit Act Amendments of 1996, Public Law 104-156; S.1579, 104 P.L. 156 110 Stat. 1936; 1996 Enacted S. 1579, 104 Enacted S. 1579

II. General Audit Requirements

C. Audit Guidance

II. General Audit Requirements

C. Audit Guidance

Guidance to assist auditors in performing audits in accordance with OMB Uniform Guidance for Federal Awards can be obtained from the following sources:

Office of Management and Budget

The following information is located on OMB's Internet Home Page

<http://www.whitehouse.gov/omb/>

- *OMB publications including OMB Uniform Guidance for Federal Awards: Cost Principles, Audit and Administrative Requirements for Federal Awards*

General Services Administration (GSA)

- *Catalog of Federal Domestic Assistance (CFDA)*

A searchable copy of the CFDA is available through the Internet on the GSA Home Page <http://www.cfda.gov>.

Government Printing Office (GPO)

- *Catalog of Federal Domestic Assistance (CFDA)*
- *Generally Accepted Government Auditing Standards (GAGAS)*
- *OMB Uniform Guidance for Federal Awards Compliance Supplement, June 2016*

Inspector General

- *Inspector General Directory*
- *Inspector General Act*

The above information is located on the IGnet Home Page on the Internet <http://www.ignet.gov/>.

II. General Audit Requirements

D. State and Local Requirements

The individual program service areas in this manual provide guidance on state and local audit requirements.

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III. Other Audit Issues

A. Notes to the Financial Statements

Notes must be prepared to meet disclosure requirements of the appropriate state, federal, and local regulations. The following are required Notes to the Financial Statements (see respective regulations for additional detail).

1. Summary of Significant Accounting Policies

Identify the agency's accounting basis during the reporting period and any deviations from the applicable governmental regulations. Describe which regulations were applied to which programs.

2. Accounts Receivable

Include a breakdown of amounts due from Allegheny County by program office, if not detailed on the Statement of Financial Position/Balance Sheet. Any accounts receivable that were written off during the fiscal year must also be separately identified. In addition, amount due from other agencies or related parties must be identified.

3. Fixed Assets

Providers hold title to fixed assets purchased with funds awarded from Allegheny County in perpetuity unless said provider goes out of business or ceases to contract with Allegheny County. At that time, all assets purchased with state and county funds revert back to the possession of Allegheny County. BH/MR/DD form 19 is to be updated and revised on an annual basis to reflect prior and current year purchases that have a current year charge for **Expense** or **Amortization**. All asset purchased are now approved by reporting them on the Agency's budget submitted prior to the beginning of a fiscal year. Additionally, disposals are to be *pre-approved* by completing a "Fixed Assets Disposal Request Form" and submitting it to the applicable Program Office. Once an asset has been fully expensed or amortized it is to be transferred to Form 19FE. The combination of these two forms will be Allegheny County's reversionary equity and/or vested interest in fixed assets.

Those assets purchased with Non-County funds with a current year **Depreciation** charge to Allegheny County are to be recorded annually on form 19NC. This will enable the County to determine propriety of depreciation charged directly or indirectly to Allegheny County.

Please note that an annual physical inventory is required to be performed at the end of every fiscal year.

4. Payables

Include a breakdown of amounts due to Allegheny County by program office, if not detailed on the Statement of Financial Position/Balance Sheet. In addition, list any amount due from other agencies or related parties.

III. Other Audit Issues

A. Notes to the Financial Statements

5. Capital Accounts

Present a detailed explanation of any significant changes to the net assets or capital accounts.

6. Administrative Cost Allocation Plan

Disclose a summary of the Administrative Cost Allocation Plan and that it has been consistently applied and distributed costs in a fair and equitable manner.

7. Related Party Transactions

Related party transactions include, but are not limited to the following:

- Professional / management services agreements
- Rental/lease agreements
- Loan transactions including interest charges and rates
- Sales, purchases, transfers, and/or use of realty and personal property
- Trust activity
- Intercompany billings
- Any other non-arm's length transaction

All related party notes must disclose the following:

- Names of the parties involved
- Each transaction description
- Nature of the relationship
- Dollar amounts of each transaction
- Amounts due to/from related parties at fiscal year end

The auditor is responsible for determining whether these transactions are allowable and in compliance with federal, state, local laws and regulations, and GAAP. Allegheny County requires all related party transactions to be fully disclosed in the notes to the Financial Statements.

8. Self Insurance

All self insured funds including but not limited to Unemployment coverage and Workers Compensation must provide a detailed schedule to identify the following amounts:

Beginning Balance Amount – *The Prior years ending balance*

Additions - *the current year fund increases from amounts charged & reimbursed from Allegheny County*

III. Other Audit Issues

A. Notes to the Financial Statements

Expense Reductions – *The current year amount actually paid out in expenditures for Allegheny County DHS programs.*

Accrual Reductions – *The current year amount accrued for Allegheny County DHS programs.*

Ending Balance Amount – *The Beginning Balance plus all current year additions and reductions*

III. Other Audit Issues

B. Management Letter

A copy of all Management Letter comments from the auditor of record to the auditee must be **included with** the audit report submitted to Allegheny County DHS. Any verbal issues typically found in a Management Letter must be summarized in writing and included as part of the audit report package. Please provide written confirmation to Allegheny County when a Management Letter has not been issued.

III. Other Audit Issues

C. Schedule of Findings of Noncompliance and Questioned Costs

For all DHS programs, each audit finding will include:

- The Auditor of Record 's explanation of questioned costs and other audit adjustments
- The Auditor of Record's recommendations for corrective action to be taken by the management of the agency.
- Management must comment on each audit finding and recommendation reported.
- The Audit Report is to also include the Schedule of Status of Prior Year Audit Findings.
Note: If there were no prior-year audit findings, please submit the schedule and report NONE.

NOTE: Please see the various individual Program Areas for more specific compliance issues.

III. Other Audit Issues

D. Corrective Action Plan

The Corrective Action Plan (CAP) is the responsibility of the provider agency not the auditor. A CAP needs to be written for every finding reported in the audit report and must be submitted to Allegheny County DHS with the audit report under separate cover. The CAP should be submitted with Audited Financial Statements and must be submitted within 30 days of receipt of the Audit.

The CAP must contain the following elements:

- Finding Number: As reported in your agency's Fiscal Year Audit Report
- Description of Finding: As recorded in your agency's Fiscal Year Audit Report
- Corrective Action Taken or to be Taken: This should include the specific steps taken or to be taken to correct the situation OR specific reasons why corrective action is not necessary.
- Timetable for Implementation: This should include a timetable for performance of the corrective action steps to be taken.
- Personnel Responsible: This should include the provider personnel responsible for ensuring that corrective action achieves the desired result in a timely and efficient manner.
- The CAP must be signed and dated by the Executive Director.

III. Other Audit Issues

E. Testing of Major and Non-Major Programs

Risk-based approach

The auditor must use the risk-based approach to determine which federal programs are major programs. This must include consideration of current and prior-audit experience, oversight by federal agencies and pass-through entities, and inherent risk of federal programs (See OMB Uniform Guidance for Federal Awards: Cost Principles, Audit, and Administrative Requirements for Federal Awards, Section 518 and 533 for Risk Criteria).

The steps are as follows:

1. Must identify larger federal programs, Type A programs.
2. Must identify Type A programs which are low risk.
3. Must identify programs which are high risk. Type B programs are all federal programs not labeled Type A.
4. At a minimum, must audit the following as major programs:
 - Type A programs, but may exclude those identified as low risk.
 - Type B programs identified as high risk,
 - Such additional programs necessary to comply with the “Percent of Coverage rule”. At a minimum, an auditor must select enough major programs to test at least 40 percent of the total federal awards expended. The one exception is when an auditee meets the criteria for a low risk auditee. In that circumstance, an auditor only needs to audit enough major programs to comprise at least 20 percent of total federal expenditures.

Challenges by federal agencies and pass-through entities shall only be for clearly improper use of the guidance in this part. However, federal agencies and pass-through entities may provide their Auditor of Record guidance about the risk of a particular federal program. The auditor shall consider this guidance in determining major programs in audits not yet completed (see OMB Uniform Guidance for Federal Awards Section 520 for additional detail).

III. Other Audit Issues

F. Illegal Acts

When illegal acts are discovered, the auditor should notify the top officer of the agency being audited. **The agency, in turn, should promptly notify Allegheny County DHS Bureau of Contracts and Compliance.** If the top officer may be involved in any way with the acts, then the auditor is to report to the Agency's Board of Directors and to Allegheny County DHS Bureau of Contracts and Compliance. Allegheny County will then inform the appropriate governmental funding source office(s). Illegal acts may be reported in a separate report from the auditor to the agency.

Note: Materiality is not a consideration for reporting to Allegheny County DHS Bureau of Contracts and Compliance. All incidences must be reported.

III. Other Audit Issues

G. Compliance Testing - No Program Specific Guidance Exists

When no authoritative guidance exists for compliance testing of programs the following steps are helpful:

- Determine the laws and regulations that affect the program(s). Use sources such as the Guide to Federal Program Compliance Audits and grant agreements to determine which laws and regulations apply.
- Review compliance requirements for similar programs (in program design) and modify slightly to fit needs.
- Rely on generic audit guides related to types of awards and recipients.
- Areas to be examined should include: services allowed/disallowed, eligibility requirements, matching/earmarking/level-of-effort, reporting, and any other specific areas emphasized in laws and regulations.

III. Other Audit Issues

H. Records Retention

Audit workpapers and audit reports shall be retained by the provider's auditor for a minimum of **three years** from the date of issuance of the audit report unless the provider's auditor is notified in writing by the commonwealth, the cognizant, or oversight federal agency to extend the retention period. Audit workpapers shall be made available upon request to authorized representatives of the commonwealth, the cognizant, oversight agency, the federal-funding agency, or the United States GAO.

All books, records, and documents related to this agreement shall be retained by the provider for a period of time which is the **greater of four years from the agreement expiration date** until all questioned costs or activities have been resolved to the satisfaction of the Commonwealth, or as required by applicable federal laws and regulations, whichever is longer. If this agreement is completely or partially terminated, the records related to the work terminated shall be preserved and made available for a period of four years from the date of any resulting financial settlement.

Records which relate to litigation or the settlement of claims arising out of performance or expenditures under this contract to which exception has been taken by the auditors, shall be retained by the contractor or provider and made available to the Commonwealth at the department's option until such litigation, claim, or exceptions have reached final disposition.

III. Other Audit Issues

I. Vendor versus Contractor

When determining whether a vendor or subrecipient relationship exists, it is the relationship that matters. No single factor should be taken alone in making this determination. All of the applicable criteria for each decision should be reviewed.

Subrecipient is defined as a legal non-federal entity that expends federal and state awards received from a pass-through entity (a prime recipient or other subrecipient) for the purpose of carrying out a federal program. The subrecipient is accountable to the recipient for the funds provided and **is subject to audit requirements identified in OMB Uniform Guidance for Federal Awards**. The subrecipient may also be a recipient of other federal awards directly from a federal-awarding agency.

Distinguishing characteristics:

- Determining eligibility of applicants for assistance and enrollment of participants
- Performance measured against meeting the objectives of the program
- Responsibility for programmatic decision making and compliance with program requirements
- Use of the funds awarded to carry out a program as compared to providing goods or services for a program of the prime recipient

Contractor is defined as an entity responsible for providing generally required goods or services related to the administrative support of the federal award. Payments received for goods or services provided would not be considered federal awards. The vendor is accountable for compliance with the contract and **is not subject to audit under OMB Uniform Guidance for Federal Awards**.

Distinguishing characteristics:

- Providing the goods and services within normal business operations
- Providing similar goods and services to many different purchasers
- Operating in a competitive environment
- Providing goods or services that are ancillary to the operation of the federal and state programs
- Is not subject to compliance requirements of federal and state programs (program service areas)

Note: Additional Guidance may be found in the individual “Program Service Areas” sections of this document.

IV. Program Service Areas

A. Community Services

Allegheny County DHS Office of Community Services is the funding conduit for a variety of programs operated throughout Allegheny County serving a cross section of the community. Funding for these programs is received from nine different Regulatory Agencies as listed below.

Each Regulatory Agency has its own audit requirements and should be read in detail by the Provider and its Auditor of Record to ensure compliance.

<u>PA DEPARTMENT OF HUMAN SERVICES</u>	23
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IV. Program Service Areas

A. Community Services - PA Dept. of Human Services

PA DEPARTMENT OF HUMAN SERVICES

The following programs funded through the Commonwealth of Pennsylvania DHS are subject to the requirements of the Commonwealth of Pennsylvania DHS's Single Audit Supplement and all other applicable updates and requirements.

THE LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

CFDA – 93.568 Low-Income Home Energy Assistance

LIHEAP State Plan

Public Law 97-35, Sections 2602, 2604, 2605, 2607 and 2609.

MEDICAL ASSISTANCE TRANSPORTATION PROGRAM (MATP)

CFDA – 93.778 Medical Assistance Program,

PA Code Title 55, Chapter 2070.

HOMELESS ASSISTANCE PROGRAMS (HAP)

CFDA – 93.959 SAPT Block Grant

CFDA – 93.558 TANF

The Homeless Assistance Program (HAP) provides assistance to needy county residents through five (5) program components:

1. Bridge Housing State Funded
2. PennFree Bridge Housing (CFDA – 93.959) – SAPT Block Grant
3. Case Management State Funded
4. Emergency Shelter (CFDA – 93.558) – TANF and State Funded – Requirements may be obtained from DHS Office of Income Maintenance.
5. Rental Assistance (CFDA – 93.558) – TANF and State Funded
6. Work Ready (CFDA – 93.558) – TANF

IV. Program Service Areas

A. Community Services - PA Dept. of Human Services

Commonwealth of Pennsylvania Department of Human Services Audit Requirements

Commonwealth of Pennsylvania DHS audit requirements are applicable to Office of Community Services programs. Both for-profit and non-profit providers must meet Commonwealth of Pennsylvania DHS's audit requirements.

If the provider expends **\$750,000 or more in combined state and federal funds** during the program year specified herein, the provider is required to have an audit.

The following audits are acceptable:

- 1) **GAGAS/Yellow Book A** Program Specific Audit of those funds made in accordance with Generally Accepted Government Auditing Standards/Yellow Book as published by the Comptroller General of the United States. The audit report must include Allegheny County Supplemental Schedules and an AUP for the supplemental schedules (see example AUP report provided in this section).

Required Reports for a GAGAS/Yellow Book Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Auditor's Opinion on Basic Financial Statements
- Auditor's Report on Compliance and Internal Control over Financial Reporting in accordance with Generally Accepted Government Auditing Standards (GAGAS)
- Schedule of Findings and Questioned costs
- Schedule of Status of Prior Year Findings and Questioned costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (see Appendix A)
- Management Letter comments, if issued

IV. Program Service Areas

A. Community Services - PA Dept. of Human Services

2) **OMB Uniform Guidance for Federal Awards: Cost Principles, Audits, and Administrative Requirements for Federal Awards.** A Single Audit or Program Specific Audit conducted in accordance with the federal-audit requirements found in OMB Uniform Guidance for Federal Awards will be accepted by the department provided that both:

a. A full copy of the audit report is submitted.

and

b. The prescribed Agreed-Upon Procedures and Allegheny County Supplemental Schedules are included in the audit package submitted.

Note: The incremental cost for preparation of the AUP cannot be charged to federal-funding streams.

Required Reports for a Federal OMB Uniform Guidance for Federal Awards Single Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Auditor's Opinion on Basic Financial Statements
- Schedule of Federal Awards and Notes
- Auditor's Report on Schedule of Federal Awards
- Auditor's Report on Compliance and Internal Control over Financial Reporting in accordance with General Accepted Government Auditing Standards (GAGAS)
- Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in accordance with OMB Uniform Guidance for Federal Awards
- Schedule of Findings and Questioned costs
- Schedule Status of Prior Year Findings and Questioned costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (see Appendix A)
- Management Letter comments, if issued

IV. Program Service Areas

A. Community Services - PA Dept. of Human Services

Allegheny County Supplemental Schedules

The supplemental financial schedules and the corresponding Agreed-Upon Procedures are required for all DHS contracts totaling \$750,000 or more of Federal Funds or Federal and State combined funds and, are in addition to either the GAGAS/Yellow Book Audit or the Federal OMB Uniform Guidance for Federal Awards Audit. These schedules are to be submitted on a July 1 through June 30 fiscal year regardless of the provider's accounting period. They are required for *each individual program regardless of its level of funding*. The auditor and provider are responsible for submitting all applicable supplementary schedules contained in the following universal schedule list.

List of Universal Allegheny County Supplemental Schedules (See Appendix A)

- Schedule of Funding Sources
- Statement of Functional Expenditures, Revenues, Contract Amounts, and Changes in Fund Balance -- Summary All Programs
- Statement of Administrative Costs
- Schedule of Functional Expenditures by program/cost center
- Schedule of Units of Service

When these schedules are submitted with an audit package they are considered an integral part of the Audit. The issuance of this report in no way absolves the auditor of his/her responsibility to disclose financial and/or compliance irregularities. Standards including the Provider Audit Guidelines, AICPA, OMB, etc. pertaining to adequate disclosure still apply to this report.

IV. Program Service Areas

A. Community Services - PA Dept. of Human Services

Example Agreed-Upon Procedures Report

To (Auditee)

We have performed the procedures enumerated below which are agreed to by Allegheny County DHS, the Commonwealth of Pennsylvania, the Commonwealth of Pennsylvania DHS, and (Auditee) solely to assist you with respect to the supplemental schedules and exhibits required in this agreement. This engagement to apply Agreed-Upon Procedures was performed in accordance with standards established by the AICPA. The sufficiency of the procedures is solely the responsibility of Allegheny County DHS and the Commonwealth of Pennsylvania DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We have verified, by comparison, the amounts and classifications that the supplemental financial schedules and/or exhibits listed below which summarize amounts reported to the Commonwealth of Pennsylvania DHS for fiscal year ended June 30, ____, have been accurately compiled and reflect the audited books and records of (Auditee). We have also verified, by comparison, to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by Allegheny County DHS and the Commonwealth of Pennsylvania DHS Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Referenced Schedule/Exhibit</u>
Allegheny County – All Programs	Schedule of Functional Expenditures (Program Summaries) Schedule of Administrative Costs
OCS	Schedule of Funding Sources Schedule of Functional Expenditures by cost center Schedule of Units of Service

(List each individual schedule for ALL programs in which the auditee participated.)

- b. We have inquired, of management, regarding adjustments to reported revenues or expenditures, which were not reflected on the reports, submitted to Allegheny County DHS and Commonwealth of Pennsylvania DHS for the period in question.
- c. The processes detailed in paragraphs (a) and (b) above disclose the following adjustments and/or findings which have/have not been reflected on the corresponding schedules:

(List each adjustment and/or finding separately, indicating whether it has/has not been reflected on the schedule.)

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

IV. Program Service Areas

A. Community Services - PA Dept. of Human Services

Example Agreed-Upon Procedures Report (continued)

This report is intended solely for the use of Allegheny County DHS and the Commonwealth of Pennsylvania DHS, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

(Date)

(Signature)

IV. Program Service Areas

A. Community Services - PA Dept. of Human Services

Schedule of Findings of Noncompliance and Questioned Costs

The Schedule should include the following three components as dictated by Federal OMB Uniform Guidance for Federal Awards.

1. A summary of the auditor's results which include:
 1. the auditor's opinion on the financial statements
 2. material reportable conditions in internal control
 3. material noncompliance
 4. material reportable conditions in internal control over major programs
 5. the auditor's opinion on compliance for major programs
 6. disclosure of any audit findings
 7. identification of major programs
 8. the dollar threshold used to distinguish between Type A and Type B programs
 9. determination as to whether the auditee qualifies as low-risk
2. Findings relating to the financial statements which are required to be reported in accordance with GAGAS.
3. Findings and questioned costs for Federal awards which shall include audit findings.

In addition to the above Allegheny County is specifically interested in the following compliance issues:

- Method of procurement, record-keeping, and control over fixed assets purchased with County allocated funds
- Method of procurement, record-keeping, and/or control of property (buildings and land) purchased with County allocated funds
- Discrepancies between actual units of service supplied, units of service submitted for reimbursement, and units credited by the County
- Indirect Cost Allocation Plan (refer to user Manuals)
- Health Insurance Portability and Accountability Act (HIPAA)

If deemed material the above examples should be identified as a finding; otherwise **each immaterial noncompliance should appear in the Agency's Management Letter.**

Corrective Action Plan (CAP)

The provider must prepare a CAP to address all findings of noncompliance or internal control weaknesses disclosed in the audit report. For each finding noted the CAP should include a brief description identifying the finding, whether the provider agrees with the finding, the specific steps to be taken to correct the deficiency or specific reasons why corrective action is not necessary, a time table for completion of the corrective action steps, and a description of monitoring to be performed to ensure that the steps are taken.

IV. Program Service Areas

A. Community Services - PA Dept. of Human Services

Less Than \$750,000 of Combined Funding

If in connection with this agreement the provider expends **less than \$750,000 in combined state and federal funds** during the program year specified herein, the provider is required to maintain auditable records of those funds, cooperate in any risk assessments, and provide access to such records by federal, state, and county agencies or their designees.

IV. Program Service Areas

A. Community Services - PA Dept. of Human Services

Audit Workpapers

Audit workpapers and audit reports are to be retained by the provider's auditor for a minimum of three years from the date of issuance of the audit report unless the provider's auditor is notified in writing by the commonwealth, the cognizant, or oversight federal agency to extend the retention period. Audit workpapers shall be made available upon request to authorized representatives of the commonwealth, the cognizant, or oversight agency, the federal funding agency, or the United States GAO.

Commonwealth of Pennsylvania Department of Human Services General Audit Provisions

The provider is responsible for obtaining the necessary audit and securing the services of a certified public accountant or other independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of federal awards.

The commonwealth reserves the right for federal and state agencies or their authorized representatives to perform additional audits of a financial or performance nature, if deemed necessary, by commonwealth or federal agencies. Any such additional audit work will rely on work already performed by the provider's auditor and the costs for any additional work performed by the federal or state agencies will be borne by those agencies at no additional cost to the provider.

IV. Program Service Areas

A. Community Services - PA Department of Agriculture

PA DEPARTMENT OF AGRICULTURE

Any of the following programs that receive federal funds are subject to the federal audit requirements that start on page 3 of this audit guide.

STATE FOOD PURCHASE PROGRAM (SFPP)

State Funded

THE EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP)

CFDA – 10.568, 10.569

SENIOR FARMERS MARKET NUTRITION PROGRAM

CFDA – 10.572

IV. Program Service Areas

A. Community Services - PA Department of Agriculture

Where a Single Audit is conducted in accordance with the federal audit requirements such an audit will be accepted by the department provided that (1) a full copy of the audit report is submitted, and (2) the prescribed AUP and supplemental schedule(s) are included in the audit package submitted. The incremental cost for preparation of the AUP cannot be charged to federal funding streams.

List of Universal Supplementary Schedules by Fund Type (Appendix A)

- Schedule of Funding Sources
- Schedule of Functional Expenditures, Revenues, Contract Amounts, and Changes in Fund Balance – Summary of All Programs
- Schedule of Administrative Cost
- Schedule of Functional Expenditures by cost center
- Schedule of Units of Service

IV. Program Service Areas

A. Community Services - PA Department of Agriculture

Example Agreed-Upon Procedures Report

To (Auditee)

We have performed the procedures enumerated below which are agreed to by Allegheny County DHS, the Commonwealth of Pennsylvania, the Commonwealth of Pennsylvania Department of Agriculture, and (Auditee) solely to assist you with respect to the supplemental schedules and exhibits required in this agreement. This engagement to apply Agreed-Upon Procedures was performed in accordance with standards established by the AICPA. The sufficiency of the procedures is solely the responsibility of Allegheny County DHS and the Pennsylvania Department of Agriculture. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We have verified, by comparison, the amounts and classifications that the supplemental financial schedules and/or exhibits listed below which summarize amounts reported to the Pennsylvania Department of Agriculture for fiscal year ended June 30, ____, have been accurately compiled and reflect the audited books and records of (Auditee). We have also verified, by comparison, to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by Allegheny County DHS pertaining to this period.

<u>Program Name</u>	<u>Referenced Schedule/Exhibit</u>
Allegheny County – All Programs	Schedule of Functional Expenditures (Program Summaries) Schedule of Administrative Costs
Department of Agriculture	Schedule of Funding Sources Schedule of Functional Expenditures by cost center Schedule of Units of Service

(List each individual schedule for ALL programs in which the auditee participated.)

- b. We have inquired, of management, regarding adjustments to reported revenues or expenditures, which were not reflected on the reports, submitted to Allegheny County DHS and Pennsylvania Department of Agriculture for the period in question.
- c. The processes detailed in paragraphs (a) and (b) above disclose the following adjustments and/or findings which have/have not been reflected on the corresponding schedules:

(List each adjustment and/or finding separately, indicating whether it has/has not been reflected on the schedule.)

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

IV. Program Service Areas

A. Community Services - PA Department of Agriculture

Example Agreed-Upon Procedures Report (continued)

This report is intended solely for the use of Allegheny County DHS and the Pennsylvania Department of Agriculture, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

(Date)

(Signature)

IV. Program Service Areas

A. Community Services - PA Community & Economic Development

PA DEPT OF COMMUNITY & ECONOMIC DEVELOPMENT

Any of the following programs that receive federal funds are subject to the federal audit requirements that start on page 3 of this audit guide.

COMMUNITY SERVICES BLOCK GRANT (CSBG)

CFDA – 93.569

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

CFDA – 14.218

IV. Program Service Areas

A. Community Services – PA Dept of Labor and Industry

PA DEPARTMENT OF LABOR AND INDUSTRY

Any of the following programs that receive federal funds are subject to the federal audit requirements that start on page 3 of this audit guide.

WORKFORCE INVESTMENT ACT OF 1998 (WIA) (100% Federally funded)

1. **Title I, Adults** - CFDA 17.258
2. **Title I, Dislocated Workers** - CFDA 17.260
3. **Title I, Youth** - CFDA 17.259
4. **Title I, Rapid Response** - CFDA 17.260

IV. Program Service Areas

A. Community Services – PA Dept of Labor and Industry

EMPLOYMENT, ADVANCEMENT AND RETENTION NETWORK (EARN)

CFDA – 93.558

State Funds

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF), YOUTH - CFDA – 93.558

AMERICORPS

CFDA – 94.006

IV. Program Service Areas

A. Community Services – PA Dept of Education

PA DEPARTMENT OF EDUCATION

CHILD AND ADULT CARE FEEDING PROGRAM (CACFP)

State Funded

SUMMER FOOD SERVICE PROGRAM (SFSP)

State Funded

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

CFDA – 10.561

IV. Program Service Areas

A. Community Services – U.S Dept. of Housing and Urban Development

U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (HUD)

HUD CONTINUUM OF CARE FOR THE HOMELESS

CFDA – 14.235

IV. Program Service Areas

A. Community Services – U.S Dept. of Health and Human Services (HHS)

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS)

HEAD START
CFDA – 93.600

IV. Program Service Areas

A. Community Services – Allegheny County Affordable Housing

ALLEGHENY COUNTY AFFORDABLE HOUSING

County Funded

IV. Program Service Areas

B. Behavioral Health - Drug and Alcohol

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IV. Program Service Area

B. Behavioral Health – Drug & Alcohol

TYPES OF AUDITS

The following chart outlines the types of audits that are required for Providers of Pennsylvania Department of Health DDAP-funded D&A services. The requirements apply to non-profit and for-profit organizations.

DETERMINATION OF APPLICABLE AUDIT REQUIREMENTS

Provider	Expends \$750,000 or more of total Federal funds	Expends less than \$750,000 of total Federal funds from all sources AND \$750,000 or more of state funds	Expends \$750,000 or more of state funds	Expends less than \$750,000 in Federal funds and less than \$750,000 in state funds
Non-Governmental Non-Profit Organization (includes non-profit institutions of higher education and hospitals)	Federally Mandated OMB Single Audit based on Provider's fiscal year	Department Mandated (Program-Specific) Yellow Book Audit based on 12 month period of the agreement	Department Mandated (Program-Specific) Yellow Book Audit based on 12 month period of the agreement	No audit required
For-Profit Entity	No audit Required	Department Mandated (Program-Specific) Yellow Book Audit based on 12 month period of the agreement	Department Mandated (Program-Specific) Yellow Book Audit based on 12 month period of the agreement	No audit required

IV. Program Service Area

B. Behavioral Health – Drug & Alcohol

NO AUDIT IS REQUIRED IF EITHER OF THE FOLLOWING APPLY:

1. The provider expends less than \$750,000 of state funds received under this agreement during the state fiscal year (i.e., July 1 through June 30) (for Department mandated audits) AND it expends total Federal awards of less than \$750,000 received from ALL sources (i.e., any and all other Federal awards expended during the provider's fiscal year, received either directly from the Federal government or indirectly from a recipient of Federal funds) during its fiscal year.
2. The agreement is funded by either state or Federal funds, and all agreement monies expended during either the provider's fiscal year (for Federally mandated audits) or during the state fiscal year (i.e. July 1, through June 30) (for Department mandated audits) are received on a strictly fee for service basis.

However, even if the provider is not required to have an audit performed, the provider is required to maintain auditable records of Federal awards and any state funds which supplement such awards, and to provide access to such records by Federal and state agencies of their designees.

IV. Program Service Area

B. Behavioral Health – Drug & Alcohol

Required Reports for a GAGAS/Yellow Book Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Report of Independent Auditors on Financial Statements
- Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Generally Accepted Government Auditing Standards (GAGAS)
- Schedule of Findings and Questioned costs
- Summary Schedule of Prior Year Findings and Questioned costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (See Appendix A)
- Management Letter comments, if issued

2) **Federal OMB Uniform Guidance for Federal Awards Audit** - A Single Audit or Program Specific Audit conducted in accordance with the federal audit requirements found in OMB Uniform Guidance for Federal Awards will be accepted by the department provided that:

- a. A full copy of the audit report is submitted.
- b. The prescribed AUP and Allegheny County Supplemental Schedules are included in the audit package submitted.
- c. If the provider expends **\$750,000 or more of federal funds** during the program year specified herein, the provider is required to have an audit.

Note: The incremental cost for preparation of the AUP cannot be charged to federal-funding streams.

IV. Program Service Area

B. Behavioral Health – Drug & Alcohol

Required Reports for a Federal OMB Uniform Guidance for Federal Awards Single Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Report of Independent Auditors on Financial Statements
- Schedule of Expenditures of Federal Awards and Notes
- Auditor’s Report on Schedule of Federal Awards
- Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Generally Accepted Government Auditing Standards (GAGAS)
- Report of Independent Auditors on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Uniform Guidance for Federal Awards
- Schedule of Findings and Questioned Costs
- Summary Schedule of Prior Year Findings and Questioned costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (See Appendix A)
- Management Letter comments, if issued

Allegheny County Supplemental Schedules

The supplemental financial schedules and the corresponding Agreed-Upon Procedures are required for all DHS contracts having D&A funding totaling \$750,000 or more and are in addition to either the GAGAS/Yellow Book Audit or the Federal OMB Uniform Guidance for Federal Awards Audit. These schedules are to be submitted on a July 1 through June 30 fiscal year regardless of the provider’s accounting period. They are required for *each individual program regardless of its level of funding*. The auditor and provider are responsible for submitting all applicable supplementary schedules contained in the following universal schedule list.

List of Universal Allegheny County Supplemental Schedules (See Appendix A)

- Schedule of Funding Sources
- Statement of Functional Expenditures, Revenues, Contract Amounts, and Changes in Fund Balance -- Summary All Programs

IV. Program Service Area

B. Behavioral Health – Drug & Alcohol

List of Universal Allegheny County Supplemental Schedules – (continued)

- Statement of Administrative Costs
- Schedule of Functional Expenditures by Cost Center
- Schedule of Units of Service

When these schedules are submitted with an audit package they are considered an integral part of the Audit. The issuance of this report in no way absolves the auditor of his/her responsibility to disclose financial and/or compliance irregularities. Standards including the Provider Audit Guidelines, AICPA, OMB, etc. pertaining to adequate disclosure still apply to this report.

IV. Program Service Area

B. Behavioral Health – Drug & Alcohol

Example Agreed-Upon Procedures Report

To (Auditee)

We have performed the procedures enumerated below which are agreed to by Allegheny County DHS, the Pennsylvania Department of Health - DDAP, and (Auditee) solely to assist you with respect to the supplemental schedules and exhibits required in this agreement. This engagement to apply Agreed-Upon Procedures was performed in accordance with standards established by the AICPA. The sufficiency of the procedures is solely the responsibility of Allegheny County DHS and the Pennsylvania Department of Health - DDAP. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We have verified, by comparison, the amounts and classifications that the supplemental financial schedules and/or exhibits listed below which summarize amounts reported to the Pennsylvania Department of Health-DDAP for fiscal year ended June 30, ____, have been accurately compiled and reflect the audited books and records of (Auditee). We have also verified, by comparison, to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by Allegheny County DHS and the Pennsylvania Department of Health- DDAP pertaining to this period.

<u>Program Name</u>	<u>Referenced Schedule/Exhibit</u>
Allegheny County – All Programs	Schedule of Functional Expenditures (Program Summaries) Schedule of Administrative Costs
DDAP	Schedule of Funding Sources Schedule of Functional Expenditures by Cost Center Schedule of Units of Service

(List each individual schedule for ALL programs in which the auditee participated.)

- b. We have inquired, of management, regarding adjustments to reported revenues or expenditures, which were not reflected on the reports, submitted to Allegheny County DHS and Pennsylvania Department of Health- DDAP for the period in question.
- c. The processes detailed in paragraphs (a) and (b) above disclose the following adjustments and/or findings which have/have not been reflected on the corresponding schedules:

(List each adjustment and/or finding separately, indicating whether it has/has not been reflected on the schedule.)

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

IV. Program Service Area

B. Behavioral Health – Drug & Alcohol

Example Agreed-Upon Procedures Report - (Continued)

This report is intended solely for the use of Allegheny County DHS and the Pennsylvania Department of Health-DDAP, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

(Date)

(Signature)

IV. Program Service Area

B. Behavioral Health – Drug & Alcohol

Schedule of Findings of Noncompliance and Questioned Costs

The Schedule should include the following three components as dictated by Federal OMB Uniform Guidance for Federal Awards.

1. A summary of the auditor's results which include:
 - a. the auditor's opinion on the financial statements
 - b. material reportable conditions in internal control
 - c. material noncompliance
 - d. material reportable conditions in internal control over major programs
 - e. the auditor's opinion on compliance for major programs
 - f. disclosure of any audit findings
 - g. identification of major programs
 - h. the dollar threshold used to distinguish between Type A and Type B programs
 - i. determination as to whether the auditee qualifies as low-risk
2. Findings relating to the financial statements which are required to be reported in accordance with GAGAS.
3. Findings and questioned costs for Federal awards which shall include audit findings.

In addition to the above Allegheny County is specifically interested in the following compliance issues:

- Method of procurement, record-keeping, and control over fixed assets purchased with County allocated funds
- Method of procurement, record-keeping, and/or control of property (buildings and land) purchased with County allocated funds
- Discrepancies between actual units of service supplied, units of service submitted for reimbursement, and units credited by the County
- Client liability determinations
- Indirect Cost Allocation Plan (refer to user Manuals)
- Personnel Action Plan (PAP) (refer to user Manuals)
- Health Insurance Portability and Accountability Act

If deemed material the above examples should be identified as a finding; otherwise each immaterial noncompliance should appear in the Agency's Management Letter to be submitted with the Audit Report package.

IV. Program Service Area

B. Behavioral Health – Drug & Alcohol

Corrective Action Plan (CAP)

The provider must prepare a CAP to address all findings of noncompliance or internal control weaknesses disclosed in the audit report. For each finding noted the CAP should include a brief description identifying the finding, whether the provider agrees with the finding, the specific steps to be taken to correct the deficiency or specific reasons why corrective action is not necessary, a time table for completion of the corrective action steps, and a description of monitoring to be performed to ensure that the steps are taken.

Audit Workpapers

Audit workpapers and audit reports are to be retained by the provider's auditor for a minimum of three years from the date of issuance of the audit report unless the provider's auditor is notified in writing by the commonwealth, the cognizant, or oversight federal agency to extend the retention period. Audit workpapers shall be made available upon request to authorized representatives of the commonwealth, the cognizant, or oversight agency, the federal funding agency, or the United States GAO.

Department of Drug and Alcohol Programs General Audit Provisions

The provider is responsible for obtaining the necessary audit and securing the services of a certified public accountant or other independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of federal awards.

The commonwealth reserves the right for federal and state agencies or their authorized representatives to perform additional audits of a financial or performance nature, if deemed necessary, by commonwealth or federal agencies. Any such additional audit work will rely on work already performed by the provider's auditor and the costs for any additional work performed by the federal or state agencies will be borne by those agencies at no additional cost to the provider.

IV. Program Service Areas

C. Behavioral Health - Mental Health

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IV. Program Service Area

C. Behavioral Health – Mental Health

Commonwealth of Pennsylvania Department of Human Services Audit Requirements

Commonwealth of Pennsylvania DHS audit requirements are applicable to Behavioral Health – Mental Health programs. Both for-profit and non-profit providers must meet Commonwealth of Pennsylvania DHS’s audit requirements.

The audit requirements are as follows:

- 1) No annual audit is required for contracted providers who receive under \$500,000 in state and federal funds from the Department in that fiscal year, with the understanding that providers are still required to maintain auditable records and make them available upon request.
- 2) A compliance attestation pursuant to AICPA Statement on Standards for Attestation Engagements (SSAE) No. 10 (AT Section 601) performed on management assertions is not required for providers who receive \$500,000 or more, but less than \$750,000 in combined state and federal funds from the Department in that fiscal year. Providers who meet these expenditure criteria are exempt from DHS audit requirements. However, providers are required to maintain auditable records for each program year, and the records should be available for review by DHS or its designee.
- 3) An audit performed in accordance with Generally Accepted Government Auditing Standards (Yellow Book) or a Single Audit performed in accordance with OMB Uniform Guidance for Federal Awards, as applicable, is required for providers who receive \$750,000 or more in state and federal funds from the Department in that fiscal year.

IV. Program Service Area

C. Behavioral Health – Mental Health

The following audits are acceptable:

- 1) **GAGAS/Yellow Book A** Program Specific Audit of those funds made in accordance with Generally Accepted Government Auditing Standards/Yellow Book as published by the Comptroller General of the United States. The audit report must include Allegheny County Supplemental Schedules and an AUP for the supplemental schedules (see example AUP report provided in this section).

Required Reports for a GAGAS/Yellow Book Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Report of Independent Auditors on Financial Statements
- Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Generally Accepted Government Auditing Standards (GAGAS)
- Schedule of Findings and Questioned costs
- Summary Schedule of Prior Year Findings and Questioned costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (see Appendix A)
- Management Letter comments, if issued

IV. Program Service Area

C. Behavioral Health – Mental Health

2) **Federal OMB Uniform Guidance for Federal Awards Audit** A Single Audit or Program Specific Audit conducted in accordance with the federal-audit requirements found in OMB Uniform Guidance for Federal Awards will be accepted by the department provided that both:

a. A full copy of the audit report is submitted.

and

b. The prescribed Agreed-Upon Procedures and Allegheny County Supplemental Schedules are included in the audit package submitted.

Note: The incremental cost for preparation of the AUP cannot be charged to federal-funding streams.

Required Reports for a Federal OMB Uniform Guidance for Federal Awards Single Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Report of Independent Auditors on Basic Financial Statements
- Schedule of Expenditures of Federal Awards and Notes
- Auditor's Report on Schedule of Federal Awards
- Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with General Accepted Government Auditing Standards (GAGAS)
- Report of Independent Auditors on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Uniform Guidance for Federal Awards
- Schedule of Findings and Questioned Costs
- Summary Schedule of Prior Year Findings and Questioned costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (see Appendix A)
- Management Letter comments, if issued

IV. Program Service Area

C. Behavioral Health – Mental Health

Allegheny County Supplemental Schedules

The supplemental financial schedules and the corresponding Agreed-Upon Procedures are required for all DHS contracts receiving DHS Funds totaling \$750,000 or more of combined Federal and State Funding and are in addition to either the GAGAS/Yellow Book Audit or the Federal OMB Uniform Guidance for Federal Awards Single Audit. These schedules are to be submitted on a July 1 through June 30 fiscal year regardless of the provider's accounting period. They are required for *each individual program regardless of its level of funding*. The auditor and provider are responsible for submitting all applicable supplementary schedules contained in the following universal schedule list.

List of Universal Allegheny County Supplemental Schedules (See Appendix A)

- Schedule of Funding Sources
- Statement of Functional Expenditures, Revenues, Contract Amounts, and Changes in Fund Balance -- Summary All Programs
- Statement of Administrative Costs
- Schedule of Functional Expenditures by Cost Center
- Schedule of Units of Service

When these schedules are submitted with an audit package they are considered an integral part of the Single Audit. The issuance of this report in no way absolves the auditor of his/her responsibility to disclose financial and/or compliance irregularities. Standards including the Provider Audit Guidelines, AICPA, OMB, etc. pertaining to adequate disclosure still apply to this report.

IV. Program Service Area

C. Behavioral Health – Mental Health

Example Agreed-Upon Procedures Report

To (Auditee)

We have performed the procedures enumerated below which are agreed to by Allegheny County DHS, the Commonwealth of Pennsylvania, the Commonwealth of Pennsylvania DHS, and (Auditee) solely to assist you with respect to the supplemental schedules and exhibits required in this agreement. This engagement to apply Agreed-Upon Procedures was performed in accordance with standards established by the AICPA. The sufficiency of the procedures is solely the responsibility of Allegheny County DHS and the Commonwealth of Pennsylvania DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We have verified, by comparison, the amounts and classifications that the supplemental financial schedules and/or exhibits listed below which summarize amounts reported to the Commonwealth of Pennsylvania DHS for fiscal year ended June 30, ____, have been accurately compiled and reflect the audited books and records of (Auditee). We have also verified, by comparison, to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by Allegheny County DHS and the Commonwealth of Pennsylvania DHS Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Referenced Schedule/Exhibit</u>
Allegheny County – All Programs	Schedule of Functional Expenditures (Program Summaries) Schedule of Administrative Costs
Mental Health	Schedule of Funding Sources Schedule of Functional Expenditures by Cost Center Schedule of Units of Service

(List each individual schedule for ALL programs in which the auditee participated.)

- b. We have inquired, of management, regarding adjustments to reported revenues or expenditures, which were not reflected on the reports, submitted to Allegheny County DHS and Commonwealth of Pennsylvania DHS for the period in question.
- c. The processes detailed in paragraphs (a) and (b) above disclose the following adjustments and/or findings which have/have not been reflected on the corresponding schedules:

(List each adjustment and/or finding separately, indicating whether it has/has not been reflected on the schedule.)

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

IV. Program Service Area

C. Behavioral Health – Mental Health

Example Agreed-Upon Procedures Report (continued)

This report is intended solely for the use of Allegheny County DHS and the Commonwealth of Pennsylvania DHS, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

(Date)

(Signature)

IV. Program Service Area

C. Behavioral Health – Mental Health

Schedule of Findings of Noncompliance and Questioned Costs

The Schedule should include the following three components as dictated by Federal OMB Uniform Guidance for Federal Awards.

1. A summary of the auditor's results which include:
 - a. The auditor's opinion on the financial statements
 - b. Material reportable conditions in internal control
 - c. Material noncompliance
 - d. Material reportable conditions in internal control over major programs
 - e. The auditor's opinion on compliance for major programs
 - f. Disclosure of any audit findings
 - g. Identification of major programs
 - h. The dollar threshold used to distinguish between Type A and Type B programs
 - i. Determination as to whether the auditee qualifies as low-risk
2. Findings relating to the financial statements that are required to be reported in accordance with GAGAS.
3. Findings and questioned costs for Federal awards that shall include audit findings.

In addition to the above Allegheny County is specifically interested in the following compliance issues:

- Method of procurement, record-keeping, and control over fixed assets purchased with County allocated funds (4300 regulations)
- Method of procurement, record-keeping, and/or control of property (buildings and land) purchased with County allocated funds (4300 regulations)
- Discrepancies between actual units of service supplied, units of service submitted for reimbursement, and units honored by the County
- Client liability determinations (4305 regulations)
- Indirect Cost Allocation Plan
- Personnel Action Plan (PAP) (refer to PAP Manual)
- Health Insurance Portability and Accountability Act (HIPAA)

If deemed material the above examples should be identified as a finding; otherwise each immaterial noncompliance should appear in the Agency's Management Letter to be submitted with the Audit Report package.

IV. Program Service Area

C. Behavioral Health – Mental Health

Corrective Action Plan (CAP)

The provider must prepare a CAP to address all findings of noncompliance or internal control weaknesses disclosed in the audit report. For each finding noted the CAP should include a brief description identifying the finding, whether the provider agrees with the finding, the specific steps to be taken to correct the deficiency or specific reasons why corrective action is not necessary, a time table for completion of the corrective action steps, and a description of monitoring to be performed to ensure that the steps are taken.

Less Than \$750,000 of Combined Funding

If in connection with this agreement the provider expends **less than \$750,000 in combined state and federal funds** during the program year specified herein, the provider is required to maintain auditable records of those funds, cooperate in any risk assessments, and provide access to such records by federal, state, and county agencies or their designees.

Audit Workpapers

Audit workpapers and audit reports are to be retained by the provider's auditor for a minimum of three years from the date of issuance of the audit report unless the provider's auditor is notified in writing by the commonwealth, the cognizant, or oversight federal agency to extend the retention period. Audit workpapers shall be made available upon request to authorized representatives of the commonwealth, the cognizant, or oversight agency, the federal funding agency, or the United States GAO.

Commonwealth of Pennsylvania Department of Human Services General Audit Provisions

The provider is responsible for obtaining the necessary audit and securing the services of a certified public accountant or other independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of federal awards.

The commonwealth reserves the right for federal and state agencies or their authorized representatives to perform additional audits of a financial or performance nature, if deemed necessary, by commonwealth or federal agencies. Any such additional audit work will rely on work already performed by the provider's auditor and the costs for any additional work performed by the federal or state agencies will be borne by those agencies at no additional cost to the provider.

IV. Program Service Areas

D. Intellectual Disability - Mental Retardation

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IV. Program Service Areas

D. Intellectual Disability – Mental Retardation

Commonwealth of Pennsylvania Department of Human Services Audit Requirements

Commonwealth of Pennsylvania DHS audit requirements are applicable to ID programs. Both for-profit and non-profit providers must meet Commonwealth of Pennsylvania DHS's audit requirements.

The audit requirements are as follows:

- 1) No annual audit is required for contracted providers who receive under \$500,000 in state and federal funds from the Department in that fiscal year, with the understanding that Providers are still required to maintain auditable records and make them available upon request.
- 2) A compliance attestation pursuant to AICPA Statement on Standards for Attestation Engagements (SSAE) No. 10 (AT Section 601) performed on management assertions is not required for providers who receive \$500,000 or more, but less than \$750,000 in combined state and federal funds from the Department in that fiscal year. Providers who meet these expenditure criteria are exempt from DHS audit requirements. However, providers are required to maintain auditable records for each program year, and the records should be available for review by DHS or its designee.
- 3) An audit performed in accordance with Generally Accepted Government Auditing Standards (Yellow Book) or a Single Audit performed in accordance with OMB Uniform Guidance for Federal Awards, as applicable, is required for providers who receive \$750,000 or more in state and federal funds from the Department in that fiscal year.

IV. Program Service Areas

D. Intellectual Disability – Mental Retardation

The following audits are acceptable:

- 1) **GAGAS/Yellow Book A** Program Specific Audit of those funds made in accordance with Generally Accepted Government Auditing Standards/Yellow Book as published by the Comptroller General of the United States. The audit report must include Allegheny County Supplemental Schedules and an AUP for the supplemental schedules (see example AUP report provided in this section).

Required Reports for a GAGAS/Yellow Book Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Report of Independent Auditors on Financial Statements
- Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Generally Accepted Government Auditing Standards (GAGAS)
- Schedule of Findings and Questioned costs
- Summary Schedule of Prior Year Findings and Questioned costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (See Appendix A)
- Management Letter comments, if issued

IV. Program Service Areas

D. Intellectual Disability – Mental Retardation

2) **Federal OMB Uniform Guidance for Federal Awards Audit** A Single Audit or Program Specific Audit conducted in accordance with the federal-audit requirements found in OMB Uniform Guidance for Federal Awards will be accepted by the department provided that both:

a. A full copy of the audit report is submitted.

and

b. The prescribed Agreed-Upon Procedures and Allegheny County Supplemental Schedules are included in the audit package submitted.

Note: The incremental cost for preparation of the AUP cannot be charged to federal-funding streams.

Required Reports for a Federal OMB Uniform Guidance for Federal Awards Single Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Report of Independent Auditors on Financial Statements
- Schedule of Expenditures of Federal Awards and Notes
- Auditor's Report on Schedule of Federal Awards
- Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Generally Accepted Government Auditing Standards (GAGAS)
- Report of Independent Auditors on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Uniform Guidance for Federal Awards
- Schedule of Findings and Questioned costs
- Summary Schedule of Prior Year Findings and Questioned Costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (See Appendix A)
- Management Letter comments, if issued

IV. Program Service Areas

D. Intellectual Disability – Mental Retardation

Allegheny County Supplemental Schedules

The supplemental financial schedules and the corresponding Agreed-Upon Procedures are required for all DHS contracts totaling \$750,000 or more of Federal Funds or Federal and State Funds combined and are in addition to either the GAGAS/Yellow Book Audit or the Federal OMB Uniform Guidance for Federal Awards Single Audit. These schedules are to be submitted on a July 1 through June 30 fiscal year regardless of the provider's accounting period. They are required for *each individual program regardless of its level of funding*. The auditor and provider are responsible for submitting all applicable supplementary schedules contained in the following universal schedule list.

List of Universal Allegheny County Supplemental Schedules (See Appendix A)

- Schedule of Funding Sources
- Statement of Functional Expenditures, Revenues, Contract Amounts, and Changes in Fund Balance -- Summary All Programs
- Statement of Administrative Costs
- Schedule of Functional Expenditures by Cost Center
- Schedule of Units of Service

When these schedules are submitted with an audit package they are considered an integral part of the Single Audit. The issuance of this report in no way absolves the auditor of his/her responsibility to disclose financial and/or compliance irregularities. Standards including the Provider Audit Guidelines, AICPA, OMB, etc., pertaining to adequate disclosure still apply to this report.

IV. Program Service Areas

D. Intellectual Disability – Mental Retardation

Example Agreed-Upon Procedures Report

To (Auditee)

We have performed the procedures enumerated below which are agreed to by Allegheny County DHS, the Commonwealth of Pennsylvania, the Commonwealth of Pennsylvania DHS, and (Auditee) solely to assist you with respect to the supplemental schedules and exhibits required in this agreement. This engagement to apply Agreed-Upon Procedures was performed in accordance with standards established by the AICPA. The sufficiency of the procedures is solely the responsibility of Allegheny County DHS and the Commonwealth of Pennsylvania DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We have verified, by comparison, the amounts and classifications that the supplemental financial schedules and/or exhibits listed below which summarize amounts reported to the Commonwealth of Pennsylvania DHS for fiscal year ended June 30, ____, have been accurately compiled and reflect the audited books and records of (Auditee). We have also verified, by comparison, to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by Allegheny County DHS and the Commonwealth of Pennsylvania DHS Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Referenced Schedule/Exhibit</u>
Allegheny County – All Programs	Schedule of Functional Expenditures (Program Summaries) Schedule of Administrative Costs
Mental Retardation	Schedule of Funding Sources Schedule of Functional Expenditures by Cost Center Schedule of Units of Service

(List each individual schedule for ALL programs in which the auditee participated.)

- b. We have inquired, of management, regarding adjustments to reported revenues or expenditures, which were not reflected on the reports, submitted to Allegheny County DHS and Commonwealth of Pennsylvania DHS for the period in question.
- c. The processes detailed in paragraphs (a) and (b) above disclose the following adjustments and/or findings which have/have not been reflected on the corresponding schedules:

(List each adjustment and/or finding separately, indicating whether it has/has not been reflected on the schedule.)

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

IV. Program Service Areas

D. Intellectual Disability – Mental Retardation

Example Agreed-Upon Procedures Report (continued)

This report is intended solely for the use of Allegheny County DHS and the Commonwealth of Pennsylvania DHS, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

(Date)

(Signature)

IV. Program Service Areas

D. Intellectual Disability – Mental Retardation

Schedule of Findings of Noncompliance and Questioned Costs

The Schedule should include the following three components as dictated by Federal OMB Uniform Guidance for Federal Awards.

1. A summary of the auditor's results that include:
 - a. The auditor's opinion on the financial statements
 - b. Material reportable conditions in internal control
 - c. Material noncompliance
 - d. Material reportable conditions in internal control over major programs
 - e. The auditor's opinion on compliance for major programs
 - f. Disclosure of any audit findings
 - g. Identification of major programs
 - h. The dollar threshold used to distinguish between Type A and Type B programs
 - i. Determination as to whether the auditee qualifies as low-risk
2. Findings relating to the financial statements that are required to be reported in accordance with GAGAS.
3. Findings and questioned costs for Federal awards that shall include audit findings.

In addition to the above Allegheny County is specifically interested in the following compliance issues:

- Method of procurement, record-keeping, and control over fixed assets purchased with County allocated funds (4300 regulations)
- Method of procurement, record-keeping, and/or control of property (buildings and land) purchased with County allocated funds (4300 regulations)
- Administration and Management of Client Funds (6000.521 regulations)
- Discrepancies between actual units of service supplied, units of service submitted for reimbursement, and units honored by the County
- Room and board regulations (6200 regulations)
- Client liability determinations (4305 regulations)
- Indirect Cost Allocation Plan
- Personnel Action Plan (PAP) (refer to PAP Manual)
- Health Insurance Portability and Accountability Act (HIPAA)

If deemed material the above examples should be identified as a finding; otherwise each immaterial noncompliance should appear in the Agency's Management Letter to be submitted with the Audit Report package.

IV. Program Service Areas

D. Intellectual Disability – Mental Retardation

Corrective Action Plan (CAP)

The provider must prepare a CAP to address all findings of noncompliance or internal control weaknesses disclosed in the audit report. For each finding noted the CAP should include a brief description identifying the finding, whether the provider agrees with the finding, the specific steps to be taken to correct the deficiency or specific reasons why corrective action is not necessary, a time table for completion of the corrective action steps, and a description of monitoring to be performed to ensure that the steps are taken.

Less Than \$750,000 of Combined Funding

If in connection with this agreement the provider expends **less than \$750,000 in combined state and federal funds** during the program year specified herein, the provider is required to maintain auditable records of those funds, cooperate in any risk assessments, and provide access to such records by federal, state, and county agencies or their designees.

Audit Workpapers

Audit workpapers and audit reports are to be retained by the provider's auditor for a minimum of three years from the date of issuance of the audit report unless the provider's auditor is notified in writing by the commonwealth, the cognizant, or oversight federal agency to extend the retention period. Audit workpapers shall be made available upon request to authorized representatives of the commonwealth, the cognizant, or oversight agency, the federal funding agency, or the United States GAO.

Commonwealth of Pennsylvania Department of Human Services General Audit Provisions

The provider is responsible for obtaining the necessary audit and securing the services of a certified public accountant or other independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of federal awards.

The commonwealth reserves the right for federal and state agencies or their authorized representatives to perform additional audits of a financial or performance nature, if deemed necessary, by commonwealth or federal agencies. Any such additional audit work will rely on work already performed by the provider's auditor and the costs for any additional work performed by the federal or state agencies will be borne by those agencies at no additional cost to the provider.

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IV. Program Service Areas

E. Waiver Program

ODP Audit Requirements for Fiscal Year 2015/2016 Reporting Period

The audit requirements for providers delivering services under the Consolidated or P/FDS Waivers (Waivers) vary based on the services rendered by the provider and the associated level of expenditures. The audit requirements are published annually in the Office of Developmental Programs (ODP) Cost Report Instructions document. Prior to the release of the Year 9 Cost Report Instructions for the Fiscal Year (FY) 2015/2016 historical expense period, ODP is issuing this information to outline the audit requirements that will be effective for the Year 9 Cost Report period (i.e., July 1, 2015 – June 30, 2016). Providers should carefully review the following list, as some items are specific to providers who deliver Base services, Waiver Cost Report, Department-established Fee, Fee Schedule, Outcomes-based services, Transportation services, and Agency with Choice (AWC) services. Any questions related to this announcement or to the audit requirements in general should be directed to ODP Regional Fiscal Officer Agnes Rudolf at c-arudolf@pa.gov.

Required audit reports that support the current historical reporting period (July 1, 2015 – June 30, 2016) must be submitted within nine months from the close of the fiscal year, or by the due date of the Cost Report, whichever is later. For providers whose organization's reporting is not based on a June 30 fiscal year end, the audited financial statements for the year that ended during the period of July 1, 2015 – June 30, 2016 must be submitted (e.g., for providers whose organization's reporting is based on a calendar year, the audited financial statements for calendar year 2015 must be submitted).

Please note that the following audit requirements are applicable to fiscal years beginning on or after December 26, 2014. Audit thresholds, references, requirements, etc. have changed based on the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), which was effective for fiscal years beginning on or after December 26, 2014. **These changes will affect most ODP providers in Year 9.** ODP is requiring the submission of the Year 9 Cost Report for residential eligible and transportation trip services. All Waiver services whose FY 2017/2018 rates will be developed based on the ODP Cost Report (i.e., Waiver Cost Report-based services) are deemed to be subrecipient services. Federal awards expended as a subrecipient are subject to all Federal audit requirements, including 2 CFR 200 §200.500, et seq. (i.e. the Uniform Guidance) and Title 45 CFR 75.01. Providers who meet these criteria must submit their single audit to the Federal Audit Clearinghouse (FAC), and then send a copy of the confirmation from the FAC to the Bureau of Audits (BOA) at RA-BOASingleAudit@pa.gov; providers of residential services must also upload a copy of the confirmation from the FAC to the ODP cost report website as a separate AF document. Providers submitting audits other than single audits must upload a copy of the audit report to the ODP cost report website. Please note that only the expenditures for subrecipient-type services are considered for the dollar thresholds that follow.

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E. Waiver Program

All providers who are submitting a single audit in accordance with the Uniform Guidance and/or Title 45 CFR 75.501 are required to include in their single audit reporting package a supplemental schedule, which is to be subjected to an Agreed-Upon Procedures engagement. The schedule, for which an example is included in this announcement as Example #3, is a reconciliation of the expenditures listed on the Schedule of Expenditures of Federal Awards (SEFA) to the Federal award income received from the Pennsylvania Department of Human Services (DHS), as noted in the revenue audit confirmation received from the Commonwealth of Pennsylvania. Providers must submit a copy of this audit confirmation to the ODP cost report website as a separate AF document. The procedures to be performed on the reconciliation schedule are as follows:

- A) Agree the expenditure amounts listed on the reconciliation schedule under the “Federal Expenditures per the SEFA” column C to the audited Schedule of Expenditures of Federal Awards (SEFA).
- B) Agree the receipt amounts listed on the reconciliation schedule under the “Federal Awards Received per the audit confirmation reply from Pennsylvania” column D to the subrecipient Federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.
- C) Recalculate the amounts listed under the “Difference” column E and the “% Difference” column F.
- D) Agree the amounts listed under the “Difference” column E to the audited books and records of the Provider.
- E) Agree the “Detailed Explanation of the Differences” to the audited books and records of the Provider.
- F) Based on the procedures detailed in paragraphs (A) through (E) above, disclose any adjustments and/or findings which have not been reflected on the corresponding schedules (List each separately.).

As is the case with other financial statements and schedules, management (the auditee) is responsible for the preparation of the required supplemental financial schedules. The auditor is asked to perform certain procedures on these schedules and incorporate all such schedules into the Audit package using the Independent Accountant’s Report on Applying Agreed-Upon Procedures.

If a provider does **not** have expenses during FY 2015/2016 for services whose rates will be Waiver Cost Report-based for FY 2017/2018 but does have expenses during FY 2015/2016 for Waiver services that will be paid based on a Department-established Fee, Fee Schedule or Outcomes-based payment in FY 2017/2018, the provider is not required to submit an independent audit to ODP.

1. Any provider who signs a county contract for Base funds is required to comply with the terms of the contract.
2. A provider that expends less than \$500,000 in combined federal and Commonwealth funds during the FY 2015/2016 reporting period is exempt from DHS audit requirements

IV. Program Service Areas

E. Waiver Program

for the Waiver program, but is required to maintain auditable records for each program year. Records should be available for review by DHS or its designee. If an audit is required for other programs in which the provider may participate, the provider must include the Waiver program in the audit and submit a copy of the audit, even if funds expended are less than \$500,000.

3. Providers who expend \$500,000 or more in combined federal and Commonwealth funds during the FY 2015/2016 reporting period (but less than \$750,000) are **not** required to have a Compliance Attestation completed in accordance with the American Institute of Certified Public Accountants' (AICPA) Statement on Standards for Attestation Engagements (SSAE) No. 10 (AT § 601, Compliance Attestation). This may be a requirement in future years of the prospective payment system (PPS). For the FY 2015/2016 reporting period, providers who meet these expenditure criteria are exempt from DHS audit requirements for the Waiver program. However, providers are required to maintain auditable records for each program year and the records should be available for review by DHS or its designee. If an audit is required for other programs in which the provider may participate, the provider must include the Waiver program in the audit, and submit a copy of the audit, even if funds expended are less than \$750,000.
4. Providers expending \$750,000 or more in combined federal and Commonwealth funds during the FY 2015/2016 reporting period must have an independent audit of their financial statements conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), also known as the Yellow Book. In instances where the provider expends \$750,000 or more in federal funds, they are subject to the Uniform Guidance (Single Audit); Title 45, CFR 75.501 (federal guidance regarding audit requirements of for-profit entities) and any other federal requirements.

Please note that all for-profit entities that expend \$750,000 or more in federal funds may choose to provide a program-specific Yellow Book audit, as permitted by Title 45 CFR 75.501. All providers that expend \$750,000 or more in combined federal and Commonwealth funds, but less than \$750,000 in federal funds are required to submit a Yellow Book audit.

For purposes of this requirement, a Yellow Book audit has the same meaning as is described in Yellow Book Section 2.07a, financial statement audits (the 2011 version of the Yellow Book). Such providers are required to submit a complete set of financial statements, including notes thereto, prepared in accordance with Accounting Principles Generally Accepted in the United States of America (US GAAP), as of the provider's fiscal year end. These financial statements must be audited in accordance with Auditing Standards Generally Accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. As such, the auditor must include a report on the financial statements and also a report on internal control over

IV. Program Service Areas

E. Waiver Program

financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.

5. Providers who incur expenses for Waiver Cost Report-based services and also have expenses for Department-established Fee, Fee Schedule and/or Outcomes Based services must meet the \$750,000 threshold for subrecipient-type expenditures to meet the independent audit submission requirement. The total expenses for FY 2015/2016 Department-established Fee, Fee Schedule and Outcome Based services are not included in the determination of the \$750,000 threshold. Base Funded Department-established Fee, Base Funded Fee Schedule and Base Funded Outcomes-based services are also not included in the determination of the \$750,000 threshold. However, if the provider is required to have a Single Audit or Yellow Book audit performed for other federal funding, such provider is required to submit a copy of its Single Audit or Yellow Book audit to ODP.

Additionally, if a provider has other lines of business where the services provided are deemed to be subrecipient-type services, the expenditures related to subrecipient-type services should be included in the determination of the \$750,000 threshold. For example, if a provider has \$300,000 in expenses for Waiver Cost report-based services, \$400,000 in expenses for Department-established Fee or Fee Schedule services, and \$450,000 in expenses for services deemed to be subrecipient-type services related to the provider's other line(s) of business, the provider would meet the \$750,000 ($\$300,000 + \$450,000 = \$750,000$) threshold for subrecipient-type expenditures, thus requiring an independent audit submission. If in this example, the expenses for services deemed to be subrecipient-type services for the provider's other line(s) of business were \$250,000 instead of \$450,000, the provider would not meet the \$750,000 ($\$300,000 + \$250,000 = \$550,000$) threshold for subrecipient-type expenditures and would not be required to submit an independent audit.

All Providers who are required to submit the Year 9 cost report (residential and transportation trip services) are also required to submit an independent audit that includes a supplemental schedule in their audited financial statements that is specific to the Waiver line of business (LOB) expenses for the FY 2015/2016 reporting period. Regardless of the provider's fiscal year end, the audited financial statements must also include an additional supplemental schedule that reconciles the Cost Report **Waiver** expenses, for the FY 2015/2016 reporting period, as reported in the Cost Report, to the **Waiver** LOB supplemental schedule of expenses identified in the audit. Examples of these supplemental schedules are included on pages 6-8. Providers do not have to follow this format exactly but their supplemental schedules do need to contain the same type and level of information.

Both of these supplemental schedules (Waiver LOB and reconciliation) must be subjected to the auditing procedures applied in the audit of the basic financial statements and include an opinion on whether these supplemental schedules are fairly stated in all

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E. Waiver Program

material respects in relation to the basic financial statements taken as a whole, as described in AICPA Statement on Auditing Standards No. 122, AU-C §725, Supplementary Information in Relation to the Financial Statements as a Whole (AU-C §725). If the audit is on a reporting year other than fiscal year end 6/30, then the auditor does not need to issue an opinion on the supplemental schedules.

6. Providers who are required to submit the Year 9 cost report (residential and transportation trip) are required to describe their cost allocation methodology within the appropriate expense allocation schedule of the Cost Report. If deemed necessary, ODP may request a copy of the provider's cost allocation plan during the desk review process. For providers subject to audit, a separate audit opinion specific to the cost allocation plan is not required; disclosure of the cost allocation plan in the notes to the financial statements as part of the overall financial statement presentation is sufficient.
7. Non-County providers who incur expenses for Waiver Cost Report-based transportation trip services of \$750,000 or more in combined federal and Commonwealth funds during the FY 2015/2016 reporting period must have an independent audit of their financial statements conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), also known as Yellow Book. In instances where the provider expends \$750,000 or more in federal funds, they are subject to Single Audit requirements in accordance with the Uniform Guidance; Title 45, CFR 75.501 (federal guidance regarding audit requirements of for-profit entities) and any other federal requirements.

Please note that all for-profit entities that expend \$750,000 or more in federal funds and choose to provide a program-specific Yellow Book audit, as permitted by Title 45 CFR 75.501, and all providers that expend \$750,000 or more in combined federal and Commonwealth funds, but less than \$750,000 in federal funds are required to submit a Yellow Book audit. For purposes of this requirement, a Yellow Book audit has the same meaning as is described in Yellow Book Section 2.07a, financial statement audits (the 2011 version of the Yellow Book). Such providers are required to submit a complete set of financial statements, including notes thereto, prepared in accordance with Accounting Principles Generally Accepted in the United States of America (US GAAP), as of the provider's fiscal year end. These financial statements must be audited in accordance with Auditing Standards Generally Accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. As such, the auditor must include a report on the financial statements and also a report on internal control over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.

County transportation providers must include the transportation expenses/revenues in their county audit.

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E. Waiver Program

8. An Agency with Choice (AWC) provider that is subject to federal audit requirements (e.g. a Single Audit in accordance with the Uniform Guidance, Title 45, CFR 75.501 [federal guidance regarding audit requirements of for-profit entities], et.al.) based on the other services the provider delivers, must include a supplemental schedule in their audited financial statements containing expenses that are specific to the AWC line of business. This supplemental schedule must be subjected to the auditing procedures applied in the audit of the basic financial statements and include an opinion on whether the supplemental schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole, as described in AICPA Statement on Auditing Standards No. 119, Supplementary Information in Relation to the Financial Statements as a Whole (SAS 119) (AU §551). If the audit is on a reporting year other than fiscal year end 6/30 then the auditor does not need to issue an opinion on the supplemental schedules.
9. Providers should prepare their financial statements in accordance with US GAAP and 55 PA CODE Chapter 51, rather than the 4300 regulations.
10. Residential Providers subject to audit are reminded of the audit requirement that includes an evaluation of the system of internal controls over consumer funds and that a representative sample of individual consumer accounts are to be tested as part of this evaluation. In addition, the Room and Board payments made by consumers should be tested against the actual costs associated with residential occupancy.

Submission of Audited Financial Statements

For providers who are required to submit a Year 9 cost report (residential and transportation trip services), failure to submit an audit within nine months from the close of the provider's accounting period (or by the due date of the Cost Report, whichever is later) will result in ODP assigning a payment rate(s) to the provider. Failure to submit a revised cost report due to differences resulting from audit adjustments, if applicable, within 30 days of the date the final audit was issued, may also result in ODP assigning a rate(s).

Please note that no extensions will be granted for AFS submissions.

Except for single audits, all audits for RESIDENTIAL providers should be uploaded to ODP via the Cost Report submission website. Audits for providers who only deliver TRANSPORTATION TRIP services should be emailed to the AE conducting the desk review and to the Regional Fiscal Officer (i.e., should not be uploaded to the ODP Cost Report submission website). For single audits, a copy of the confirmation from the FAC should be uploaded to the Cost Report submission website, or emailed to the AE conducting the desk review and the Regional Fiscal Officer, as appropriate.

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E. Waiver Program

All providers that meet the thresholds must submit their audits to the FAC and provide a copy of the confirmation from the FAC to BOA within the nine-month time frame.

Office of Comptroller Operations
Bureau of Audits
Special Audit Support Services
RA-BOASingleAudit@pa.gov

Instructions for submitting these audits to BOA can be obtained from their website:
<http://www.budget.pa.gov/Services/ForGranteesAndSubrecipients/Pages/SingleAuditSubmissions.aspx>

Audit confirmation requests should be sent to:

Office of Comptroller Operations
Division of Quality Assurance
RA-QAPromiseConf@pa.gov.

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F. Children, Youth and Families

Commonwealth of Pennsylvania Department of Human Services Audit Requirements

Commonwealth of Pennsylvania DHS audit requirements are applicable to CYF programs. Both for-profit and non-profit providers must meet Commonwealth of Pennsylvania DHS's audit requirements.

If the provider expends **\$750,000 or more in combined state and federal funds** during the program year specified herein, the provider is required to have an audit.

The following audits are acceptable:

- 1) **GAGAS/Yellow Book A** Program Specific Audit of those funds made in accordance with Generally Accepted Government Auditing Standards/Yellow Book as published by the Comptroller General of the United States. The audit report must include Allegheny County Supplemental Schedules and an AUP for the supplemental schedules (See example AUP report provided in this section).

Required Reports for a GAGAS/Yellow Book Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Auditor's Opinion on Basic Financial Statements
- Auditor's Report on Compliance and Internal Control over Financial Reporting in accordance with Generally Accepted Government Auditing Standards (GAGAS)
- Schedule of Findings and Questioned Costs
- Schedule of Status of Prior Year Findings and Questioned Costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (See Appendix A)
- Management Letter, if issued

IV. Program Service Areas

F. Children, Youth and Families

2) **Federal OMB Uniform Guidance for Federal Awards Single Audit** A Single Audit or Program Specific Audit conducted in accordance with the federal-audit requirements found in OMB Uniform Guidance for Federal Awards will be accepted by the department provided that both:

a. A full copy of the audit report is submitted.

and

b. The prescribed Agreed-Upon Procedures and Allegheny County Supplemental Schedules are included in the audit package submitted.

Note: The incremental cost for preparation of the AUP cannot be charged to federal-funding streams.

Required Reports for a Federal OMB Uniform Guidance for Federal Awards Single Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Auditor's Opinion on Basic Financial Statements
- Schedule of Federal Awards and Notes
- Auditor's Report on Schedule of Federal Awards
- Auditor's Report on Compliance and Internal Control over Financial Reporting in accordance with General Accepted Government Auditing Standards (GAGAS)
- Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in accordance with OMB Uniform Guidance for Federal Awards
- Schedule of Findings and Questioned Costs
- Schedule Status of Prior Year Findings and Questioned Costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (See Appendix A)
- Management Letter, if issued

IV. Program Service Areas

F. Children, Youth and Families

Allegheny County Supplemental Schedules

The supplemental financial schedules and the corresponding Agreed-Upon Procedures are required for all DHS contracts totaling \$750,000 or more of Federal Funds or Federal and State Funds combined and are in addition to either the GAGAS/Yellow Book Audit or the Federal OMB Uniform Guidance for Federal Awards Audit. These schedules are to be submitted on a July 1 through June 30 fiscal year regardless of the provider's accounting period. They are required for *each individual program regardless of its level of funding*. The auditor and provider are responsible for submitting all applicable supplementary schedules contained in the following universal schedule list.

List of Universal Allegheny County Supplemental Schedules (See Appendix A)

- Schedule of Funding Sources
- Statement of Functional Expenditures, Revenues, Contract Amounts, and Changes in Fund Balance -- by Program
- Schedule of Functional Expenditures by Program
- Statement of Administrative Costs
- Schedule of Units of Service
- Schedule of Utilization

When these schedules are submitted with an audit package they are considered an integral part of the Single Audit. The issuance of this report in no way absolves the auditor of his/her responsibility to disclose financial and/or compliance irregularities. Standards including the Provider Audit Guidelines, AICPA, OMB, etc. pertaining to adequate disclosure still apply to this report. [Appendix A - Example Supplemental Schedules](#)

IV. Program Service Areas

F. Children, Youth and Families

Example Agreed-Upon Procedures Report

To (Auditee)

We have performed the procedures enumerated below which are agreed to by Allegheny County DHS, the Commonwealth of Pennsylvania, the Commonwealth of Pennsylvania DHS, and (Auditee) solely to assist you with respect to the supplemental schedules and exhibits required in this agreement. This engagement to apply Agreed-Upon Procedures was performed in accordance with standards established by the AICPA. The sufficiency of the procedures is solely the responsibility of Allegheny County DHS and the Commonwealth of Pennsylvania DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We have verified, by comparison, the amounts and classifications that the supplemental financial schedules and/or exhibits listed below which summarize amounts reported to the Commonwealth of Pennsylvania DHS for fiscal year ended June 30, ____, have been accurately compiled and reflect the audited books and records of (Auditee). We have also verified, by comparison, to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by Allegheny County DHS and the Commonwealth of Pennsylvania DHS Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Referenced Schedule/Exhibit</u>
Allegheny County – All Programs	Schedule of Functional Expenditures (Program Summaries) Schedule of Administrative Costs
CYF	Schedule of Funding Sources Schedule of Functional Expenditures by category Schedule of Units of Service Schedule of Utilization

(List each individual schedule for ALL programs in which the auditee participated.)

- b. We have inquired, of management, regarding adjustments to reported revenues or expenditures, which were not reflected on the reports, submitted to Allegheny County DHS and Commonwealth of Pennsylvania DHS for the period in question.
- c. The processes detailed in paragraphs (a) and (b) above disclose the following adjustments and/or findings which have/have not been reflected on the corresponding schedules:

(List each adjustment and/or finding separately, indicating whether it has/has not been reflected on the schedule.)

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

IV. Program Service Areas

F. Children, Youth and Families

Example Agreed-Upon Procedures Report (continued)

This report is intended solely for the use of Allegheny County DHS and the Commonwealth of Pennsylvania DHS, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

(Date)

(Signature)

IV. Program Service Areas

F. Children, Youth and Families

Schedule of Findings of Noncompliance and Questioned Costs

The Schedule should include the following three components as dictated by Federal OMB Uniform Guidance for Federal Awards.

1. A summary of the auditor's results that include:
 - a. The auditor's opinion on the financial statements
 - b. Material reportable conditions in internal control
 - c. Material noncompliance
 - d. Material reportable conditions in internal control over major programs
 - e. The auditor's opinion on compliance for major programs
 - f. Disclosure of any audit findings
 - g. Identification of major programs
 - h. The dollar threshold used to distinguish between Type A and Type B programs
 - i. Determination as to whether the auditee qualifies as low-risk
2. Findings relating to the financial statements that are required to be reported in accordance with GAGAS.
3. Findings and questioned costs for Federal awards that shall include audit findings.

In addition to the above Allegheny County is specifically interested in the following compliance issues:

- Method of procurement, record-keeping, and control over fixed assets purchased with County allocated funds (see 3170 regulations)
- Method of procurement, record-keeping, and/or control of property (buildings and land) purchased with County allocated funds (see 3170 regulations)
- Discrepancies between actual units of service supplied, units of service submitted for reimbursement, and units honored by the County
- Indirect Cost Allocation Plan
- Health Insurance Portability and Accountability Act (HIPAA)

If deemed material the above examples should be identified as a finding; otherwise each immaterial noncompliance should appear in the Agency's Management Letter.

IV. Program Service Areas

F. Children, Youth and Families

Corrective Action Plan (CAP)

The provider must prepare a CAP to address all findings of noncompliance or internal control weaknesses disclosed in the audit report. For each finding noted the CAP should include a brief description identifying the finding, whether the provider agrees with the finding, the specific steps to be taken to correct the deficiency or specific reasons why corrective action is not necessary, a time table for completion of the corrective action steps, and a description of monitoring to be performed to ensure that the steps are taken.

In addition, the provider must submit in writing a progress report update Allegheny County Bureau of Budget and Contract Compliance in writing of the progress of the CAP.

Less Than \$750,000 of Combined Funding

If in connection with this agreement the provider expends **less than \$750,000 in combined state and federal funds** during the program year specified herein, the provider is required to maintain auditable records of those funds, cooperate in any risk assessments, and provide access to such records by federal, state, and county agencies or their designees.

Audit Workpaper

Audit workpapers and audit reports are to be retained by the provider's auditor for a minimum of three years from the date of issuance of the audit report unless the provider's auditor is notified in writing by the commonwealth, the cognizant, or oversight federal agency to extend the retention period. Audit workpapers shall be made available upon request to authorized representatives of the Commonwealth, the cognizant, or oversight agency, the federal funding agency, or the United States GAO.

IV. Program Service Areas

F. Children, Youth and Families

Commonwealth of Pennsylvania Department of Human Services General Audit Provisions

The provider is responsible for obtaining the necessary audit and securing the services of a certified public accountant or other independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of federal awards.

The Commonwealth reserves the right for federal and state agencies or their authorized representatives to perform additional audits of a financial or performance nature, if deemed necessary, by commonwealth or federal agencies. Any such additional audit work will rely on work already performed by the provider's auditor and the costs for any additional work performed by the federal or state agencies will be borne by those agencies at no additional cost to the provider.

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IV. Program Service Areas

G. Human Services Development Fund (HSDF)

Commonwealth of Pennsylvania Department of Human Services

HUMAN SERVICES DEVELOPMENT FUND (HSDF)

State and Local Audit Requirements

HSDF funds must be audited with the applicable county program. For example, HSDF funds allocated to the Allegheny County CYF program should be audited along with the other CYF regulations and requirements as well as the HSDF instructions and requirements which define the allowable and unallowable cost centers.

The Human Services Development Fund receives 100% of its funding from the Commonwealth of Pennsylvania DHS. Service providers receiving HSDF funding are subject to the audit provisions and requirements as follows:

State Audit Requirements

1. Commonwealth of Pennsylvania DHS's Single Audit Supplement
2. The Instructions and Requirements for the Human Services Development Fund
3. The Allegheny County DHS Provider Audit Guidelines

Federal Audit Requirements

Since, *HSDF is 100% state funded*, the provisions of the Single Audit Act Amendments of 1996 do not apply.

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IV. Program Service Areas

H. Area Agency on Aging

Pennsylvania Department of Aging

Non-Profit Entities

A non-profit entity that receives federal funds of \$750,000 or more from the county Area Agency on Aging (AAA) will be subject to OMB Uniform Guidance for Federal Awards and the federal audit requirements that start on page 3 of this audit guide.

Vendors

Fixed-Price or Fee-for-Service contracts are generally based on pre-established fees or published fee schedules. Since, such contracts indicate payment for services is based on a fixed price regardless of actual costs incurred, Agencies with only this type of contract are considered vendors as opposed to subrecipients. Vendor Entities are not required to have an OMB Uniform Guidance for Federal Awards Audit of their Financial Statements or their Schedule of Federal Awards. However, other monitoring procedures maybe applied to verify contractual performance.

Subrecipients

Agencies that carry out Federal programs and receive federal funds under Cost Reimbursement or a combination of both Fixed-Price and Cost Reimbursement type contracts are subrecipients. Subrecipients are subject to the audit requirements of OMB Uniform Guidance for Federal Awards for their Cost Reimbursement contracts. Their audit must also include appropriate tests of the Fixed-Price contracts to verify contractual performance.

The maximum reimbursement restriction within a grant contract does not change the nature of the contract from a Cost Reimbursement type agreement to a Fixed-Price agreement even if the subrecipient's actual costs for a contract period exceed the maximum reimbursement amount in the contract and those excess costs are not reimbursed. The contract is still a Cost Reimbursement type contract and the subrecipient is still required to meet the financial statement audit requirements of OMB Uniform Guidance for Federal Awards.

IV. Program Service Areas

H. Area Agency on Aging

For-Profit Entities

A for-profit entity that receives federal funds from the county Area Agency on Aging (AAA) is not subject to OMB Uniform Guidance for Federal Awards.

A for-profit organization is required to have an audit if it expends a total of \$750,000 or more in federal funds under one or more Department of Health and Human Services (DHHS) federal awards. CFR 200, incorporates the thresholds and deadlines of the Office of Management and Budget (OMB) Uniform Guidance for Federal Awards: Cost Principles, Audit and Administrative Requirements for Federal Awards, but provides for-profit organizations with two options regarding the type of audit that will satisfy the audit requirements.

1. An audit made in accordance with generally accepted Government Auditing Standards (The Yellow Book), revised; or
2. An audit that meets the requirements contained in OMB Uniform Guidance for Federal Awards.

A for-profit organization is required to have an audit, in accordance with the above audit requirements, if it expends a total of \$750,000 or more of federal awards directly or indirectly during its fiscal year.

If a for-profit organization expends total federal awards of less than \$750,000 during its fiscal year, it is exempt from these audit requirements, but is required to maintain auditable records of federal or state funds that supplement such awards. Records must be available for review by appropriate officials.

A for-profit organization is responsible for obtaining the necessary audit and securing the services of a certified public accountant or other independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of federal awards.

IV. Program Service Areas

H. Area Agency on Aging

Federal OMB Uniform Guidance for Federal Awards Audit A Single Audit or Program Specific Audit conducted in accordance with the federal-audit requirements found in OMB Uniform Guidance for Federal Awards will be accepted by the department provided that both:

1) A full copy of the audit report is submitted.

and

2) The prescribed Agreed-Upon Procedures and Allegheny County Supplemental Schedules are included in the audit package submitted.

Required Reports for a Federal OMB Uniform Guidance for Federal Awards Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Auditor's Opinion on Basic Financial Statements
- Schedule of Federal Awards and Notes
- Auditor's Report on Schedule of Federal Awards
- Auditor's Report on Compliance and Internal Control over Financial Reporting in accordance with General Accepted Government Auditing Standards (GAGAS)
- Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in accordance with OMB Uniform Guidance for Federal Awards
- Schedule of Findings and Questioned Costs
- Schedule Status of Prior Year Findings and Questioned Costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (see Appendix A)
- Management Letter, if issued

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H. Area Agency on Aging

Allegheny County Supplemental Schedules

The supplemental financial schedules and the corresponding Agreed-Upon Procedures are required for all DHS Aging contracts totaling \$750,000 or more of Federal funds and are in addition to the Federal OMB Uniform Guidance for Federal Awards Audit. These schedules are to be submitted on a July 1 through June 30 fiscal year regardless of the provider's accounting period. They are required for *each individual Aging program regardless of its level of funding*. The auditor and provider are responsible for submitting all applicable supplementary schedules contained in the following universal schedule list.

List of Universal Allegheny County Supplemental Schedules (See Appendix A)

- Schedule of Functional Revenue and Expenditures by Cost Center
- Schedule of Detailed Functional Expenditures, Contract Amounts and Payments relating to Grants from Allegheny County
- Statement of Administrative Costs

When these schedules are submitted with an audit package they are considered an integral part of the Audit. The issuance of this report in no way absolves the auditor of his/her responsibility to disclose financial and/or compliance irregularities. Standards including the Provider Audit Guidelines, AICPA, OMB, etc. pertaining to adequate disclosure still apply to this report.

[Appendix A - Example Supplemental Schedules](#)

IV. Program Service Areas

H. Area Agency on Aging

Example Agreed-Upon Procedures Report

To (Auditee)

We have performed the procedures enumerated below which are agreed to by Allegheny County DHS, the Commonwealth of Pennsylvania, the Commonwealth of Pennsylvania Department of Aging, and (Auditee) solely to assist you with respect to the supplemental schedules and exhibits required in this agreement. This engagement to apply Agreed-Upon Procedures was performed in accordance with standards established by the AICPA. The sufficiency of the procedures is solely the responsibility of Allegheny County DHS and the Pennsylvania Department of Aging. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We have verified, by comparison, the amounts and classifications that the supplemental financial schedules and/or exhibits listed below which summarize amounts reported to the Pennsylvania Department of Aging for fiscal year ended June 30, ____, have been accurately compiled and reflect the audited books and records of (Auditee). We have also verified, by comparison, to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by Allegheny County DHS.

<u>Program Name</u>	<u>Referenced Schedule/Exhibit</u>
Allegheny County – All Programs	Schedule of Functional Expenditures (Program Summaries) Schedule of Administrative Costs
Aging	Schedule of Functional Revenue and Expenditures by Cost Center Schedule of Detailed Functional Expenditures, Contract Amounts and Payments relating to Grants from Allegheny County Statement of Administrative Costs

(List each individual schedule for ALL programs in which the auditee participated.)

- b. We have inquired, of management, regarding adjustments to reported revenues or expenditures, which were not reflected on the reports, submitted to Allegheny County DHS and the Pennsylvania Department of Aging for the period in question.
- c. The processes detailed in paragraphs (a) and (b) above disclose the following adjustments and/or findings which have/have not been reflected on the corresponding schedules:

(List each adjustment and/or finding separately, indicating whether it has/has not been reflected on the schedule.)

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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H. Area Agency on Aging

Example Agreed-Upon Procedures Report (continued)

This report is intended solely for the use of Allegheny County DHS and the Pennsylvania Department of Aging, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

(Date)

(Signature)

IV. Program Service Areas

H. Area Agency on Aging

Schedule of Findings of Noncompliance and Questioned Costs

The Schedule should include the following three components as dictated by Federal OMB Uniform Guidance for Federal Awards.

1. A summary of the auditor's results that include:
 - a. The auditor's opinion on the financial statements
 - b. Material reportable conditions in internal control
 - c. Material noncompliance
 - d. Material reportable conditions in internal control over major programs
 - e. The auditor's opinion on compliance for major programs
 - f. Disclosure of any audit findings
 - g. Identification of major programs
 - h. The dollar threshold used to distinguish between Type A and Type B programs
 - i. Determination as to whether the auditee qualifies as low-risk
2. Findings relating to the financial statements that are required to be reported in accordance with GAGAS.
3. Findings and questioned costs for Federal awards that shall include audit findings.

In addition to the above Allegheny County is specifically interested in the following compliance issues:

- Method of procurement, record-keeping, and control over fixed assets purchased with County allocated funds
- Method of procurement, record-keeping, and/or control of property (buildings and land) purchased with County allocated funds
- Discrepancies between actual units of service supplied, units of service submitted for reimbursement, and units credited by the County
- Indirect Cost Allocation Plan
- Health Insurance Portability and Accountability Act (HIPAA)

If deemed material the above examples should be identified as a finding; otherwise each immaterial noncompliance should appear in the Agency's Management Letter.

IV. Program Service Areas

H. Area Agency on Aging

1. Period Subject to Audit and Audit Frequency

An audit made in accordance with OMB Uniform Guidance for Federal Awards shall encompass the fiscal period of the subrecipient and shall be performed on an annual basis. For non-profit organizations subject to the provisions of OMB Uniform Guidance for Federal Awards the fiscal period used to determine audit requirements would be the fiscal year of the AAA.

Distribution

One Copy of the OMB Uniform Guidance for Federal Awards Single Audit should be submitted to:

Mr. Darnell Moses, Administrator
Allegheny County Department of Human Services
Bureau of Contracts and Compliance
One Smithfield Street, Suite 300
Pittsburgh, Pennsylvania 15222-2221

Or submitted electronically to:

Lisa Impavido at Lisa.Impavido@AlleghenyCounty.US or
Joel Rubin at Joel.Rubin@AlleghenyCounty.US

Corrective Action Plan (CAP)

The provider must prepare a CAP to address all findings of noncompliance or internal control weaknesses disclosed in the audit report. For each finding noted the CAP should include a brief description identifying the finding, whether the provider agrees with the finding, the specific steps to be taken to correct the deficiency or specific reasons why corrective action is not necessary, a time table for completion of the corrective action steps, and a description of monitoring to be performed to ensure that the steps are taken.

Audit Workpapers

Audit workpapers and audit reports are to be retained by the provider's auditor for a minimum of three years from the date of issuance of the audit report unless the provider's auditor is notified in writing by the Commonwealth, the cognizant, or oversight federal agency to extend the retention period. Audit workpapers shall be made available upon request to authorized representatives of the Commonwealth, the cognizant, or oversight agency, the federal funding agency, or the United States GAO.

IV. Program Service Areas

H. Area Agency on Aging

Additional Audits

The commonwealth reserves the right for federal and state agencies or their authorized representatives to perform additional audits of a financial or performance nature if deemed necessary by the commonwealth or federal agencies. Any such additional audit work will rely on work already performed by the provider's auditor and the costs for any additional work performed by the commonwealth or federal agencies will be borne by those agencies at no additional expense to the provider. However, office of aging reserves the right for federal and state agencies or their authorized representatives to perform additional audits of a financial/compliance, economy/efficiency, or program results nature if deemed necessary.

The costs of audits made in accordance with the provisions of the respective circulars are allowable charges to federal assistance programs. Where more than one funding agency is identified, the cost of the audit shall be equitably prorated and incorporated in annual budgets/unit cost composites.

Subrecipient Noncompliance With Audit Requirements

The Pennsylvania Department of Aging has implemented a progressive series of remedial actions to be taken when a subrecipient exhibits a continued inability or unwillingness to comply with performance, reporting and resolution requirements for audits of commonwealth-funded programs.

The progressive series of remedial actions will reflect the unique requirements of each program taking into account such factors as:

- The type of financial assistance (i.e., grant, contract, cooperative agreement, loan, etc.)
- The nature of financial assistance (i.e., subsidy, cost reimbursement, fixed fee, etc.)
- The frequency of the financial assistance (i.e., one-time grant, a multi-year award, ongoing funding, etc.)
- The nature and severity of the noncompliance (i.e., corrective action not implemented on minor finding(s), corrective action not implemented on major finding(s), additional information needed to clarify findings or financial information not provided, CAP not provided, audit report not submitted, etc.)
- Prior experience with the subrecipient regarding its ability to effectively and efficiently administer a program in accordance with applicable laws and regulations
- The results of other program reviews or other forms of independent oversight of the subrecipient
- The reasons and justification for the subrecipient's inability or unwillingness to provide necessary information or take required action.

IV. Program Service Areas

I. Behavioral Health – Early Intervention

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IV. Program Service Areas

I. Behavioral Health – Early Intervention

Commonwealth of Pennsylvania Department of Human Services Audit Requirements

Commonwealth of Pennsylvania DHS audit requirements are applicable to EI programs. Both for-profit and non-profit providers must meet Commonwealth of Pennsylvania DHS's audit requirements.

The audit requirements are as follows:

- 1) No annual audit is required for contracted providers who receive under \$500,000 in state and federal funds from the Department in that fiscal year, with the understanding that Providers are still required to maintain auditable records and make them available upon request.
- 2) A compliance attestation pursuant to AICPA Statement on Standards for Attestation Engagements (SSAE) No. 10 (AT Section 601) performed on management assertions is not required for providers who receive \$500,000 or more, but less than \$750,000 in combined state and federal funds from the Department in that fiscal year. Providers who meet these expenditure criteria are exempt from DHS audit requirements. However, providers are required to maintain auditable records for each program year, and the records should be available for review by DHS or its designee.
- 3) An audit performed in accordance with Generally Accepted Government Auditing Standards (Yellow Book) or a Single Audit performed in accordance with OMB Uniform Guidance for Federal Awards, as applicable, is required for providers who receive \$750,000 or more in state and federal funds from the Department in that fiscal year.

IV. Program Service Areas

I. Behavioral Health – Early Intervention

The following audits are acceptable:

- 1) **GAGAS/Yellow Book A** Program Specific Audit of those funds made in accordance with Generally Accepted Government Auditing Standards/Yellow Book as published by the Comptroller General of the United States. The audit report must include Allegheny County Supplemental Schedules and an AUP for the supplemental schedules (see example AUP report provided in this section).

Required Reports for a GAGAS/Yellow Book Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Report of Independent Auditors on Financial Statements
- Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Generally Accepted Government Auditing Standards (GAGAS)
- Schedule of Findings and Questioned costs
- Summary Schedule of Prior Year Findings and Questioned costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (See Appendix A)
- Management Letter comments, if issued.

IV. Program Service Areas

I. Behavioral Health – Early Intervention

2) **Federal OMB Uniform Guidance for Federal Awards Single Audit** A Single Audit or Program Specific Audit conducted in accordance with the federal-audit requirements found in OMB Uniform Guidance for Federal Awards will be accepted by the department provided that both:

c. A full copy of the audit report is submitted.

and

d. The prescribed Agreed-Upon Procedures and Allegheny County Supplemental Schedules are included in the audit package submitted.

Note: The incremental cost for preparation of the AUP cannot be charged to federal-funding streams.

Required Reports for a Federal OMB Uniform Guidance for Federal Awards Single Audit Package

- Basic Financial Statements
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Cash Flows
 - Statement of Functional Expenses
 - Notes to the Financial Statements
- Report of Independent Auditors on Financial Statements
- Schedule of Expenditures of Federal Awards and Notes
- Auditor's Report on Schedule of Federal Awards
- Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Generally Accepted Government Auditing Standards (GAGAS)
- Report of Independent Auditors on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Uniform Guidance for Federal Awards
- Schedule of Findings and Questioned costs
- Summary Schedule of Prior Year Findings and Questioned Costs
- Corrective Action Plan (CAP)
- AUP report on Allegheny County Supplemental Schedules
- Allegheny County Supplemental Schedules (See Appendix A)
- Management Letter comments, if issued

IV. Program Service Areas

I. Behavioral Health – Early Intervention

Allegheny County Supplemental Schedules

The supplemental financial schedules and the corresponding Agreed-Upon Procedures are required for all DHS contracts totaling \$750,000 or more of Federal Funds or Federal and State Funds combined and are in addition to either the GAGAS/Yellow Book Audit or the Federal OMB Uniform Guidance for Federal Awards Audit. These schedules are to be submitted on a July 1 through June 30 fiscal year regardless of the provider's accounting period. They are required for *each individual program regardless of its level of funding*. The auditor and provider are responsible for submitting all applicable supplementary schedules contained in the following universal schedule list.

List of Universal Allegheny County Supplemental Schedules (See Appendix A)

- Schedule of Funding Sources
- Statement of Functional Expenditures, Revenues, Contract Amounts, and Changes in Fund Balance -- Summary All Programs
- Statement of Administrative Costs
- Schedule of Functional Expenditures by Cost Center
- Schedule of Units of Service

When these schedules are submitted with an audit package they are considered an integral part of the Single Audit. The issuance of this report in no way absolves the auditor of his/her responsibility to disclose financial and/or compliance irregularities. Standards including the Provider Audit Guidelines, AICPA, OMB, etc., pertaining to adequate disclosure still apply to this report.

IV. Program Service Areas

I. Behavioral Health – Early Intervention

Example Agreed-Upon Procedures Report

To (Auditee)

We have performed the procedures enumerated below which are agreed to by Allegheny County DHS, the Commonwealth of Pennsylvania, the Commonwealth of Pennsylvania DHS, and (Auditee) solely to assist you with respect to the supplemental schedules and exhibits required in this agreement. This engagement to apply Agreed-Upon Procedures was performed in accordance with standards established by the AICPA. The sufficiency of the procedures is solely the responsibility of Allegheny County DHS and the Commonwealth of Pennsylvania DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We have verified, by comparison, the amounts and classifications that the supplemental financial schedules and/or exhibits listed below which summarize amounts reported to the Commonwealth of Pennsylvania DHS for fiscal year ended June 30, ____, have been accurately compiled and reflect the audited books and records of (Auditee). We have also verified, by comparison, to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by Allegheny County DHS and the Commonwealth of Pennsylvania DHS Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Referenced Schedule/Exhibit</u>
Allegheny County – All Programs	Schedule of Functional Expenditures (Program Summaries) Schedule of Administrative Costs
Early Intervention	Schedule of Funding Sources Schedule of Functional Expenditures by Cost Center Schedule of Units of Service

(List each individual schedule for ALL programs in which the auditee participated.)

- b. We have inquired, of management, regarding adjustments to reported revenues or expenditures, which were not reflected on the reports, submitted to Allegheny County DHS and Commonwealth of Pennsylvania DHS for the period in question.
- c. The processes detailed in paragraphs (a) and (b) above disclose the following adjustments and/or findings which have/have not been reflected on the corresponding schedules:

(List each adjustment and/or finding separately, indicating whether it has/has not been reflected on the schedule.)

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

IV. Program Service Areas

I. Behavioral Health – Early Intervention

Example Agreed-Upon Procedures Report (continued)

This report is intended solely for the use of Allegheny County DHS and the Commonwealth of Pennsylvania DHS, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

(Date)

(Signature)

IV. Program Service Areas

I. Behavioral Health – Early Intervention

Schedule of Findings of Noncompliance and Questioned Costs

The Schedule should include the following three components as dictated by Federal OMB Uniform Guidance for Federal Awards.

1. A summary of the auditor's results that include:
 - a. The auditor's opinion on the financial statements
 - b. Material reportable conditions in internal control
 - c. Material noncompliance
 - d. Material reportable conditions in internal control over major programs
 - e. The auditor's opinion on compliance for major programs
 - f. Disclosure of any audit findings
 - g. Identification of major programs
 - h. The dollar threshold used to distinguish between Type A and Type B programs
 - i. Determination as to whether the auditee qualifies as low-risk
2. Findings relating to the financial statements that are required to be reported in accordance with GAGAS.
3. Findings and questioned costs for Federal awards that shall include audit findings.

In addition to the above Allegheny County is specifically interested in the following compliance issues:

- Method of procurement, record-keeping, and control over fixed assets purchased with County allocated funds (4300 regulations)
- Method of procurement, record-keeping, and/or control of property (buildings and land) purchased with County allocated funds (4300 regulations)
- Administration and Management of Client Funds (6000.521 regulations)
- Discrepancies between actual units of service supplied, units of service submitted for reimbursement, and units honored by the County
- Room and board regulations (6200 regulations)
- Client liability determinations (4305 regulations)
- Indirect Cost Allocation Plan (refer to user Manuals)
- Personnel Action Plan (PAP) (refer to user Manuals)
- Health Insurance Portability and Accountability Act (HIPAA)

If deemed material the above examples should be identified as a finding; otherwise each immaterial noncompliance should appear in the Agency's Management Letter to be submitted with the Audit Report package.

IV. Program Service Areas

I. Behavioral Health – Early Intervention

Corrective Action Plan (CAP)

The provider must prepare a CAP to address all findings of noncompliance or internal control weaknesses disclosed in the audit report. For each finding noted the CAP should include a brief description identifying the finding, whether the provider agrees with the finding, the specific steps to be taken to correct the deficiency or specific reasons why corrective action is not necessary, a time table for completion of the corrective action steps, and a description of monitoring to be performed to ensure that the steps are taken.

Less Than \$750,000 of Combined Funding

If in connection with this agreement the provider expends **less than \$750,000 in combined state and federal funds** during the program year specified herein, the provider is required to maintain auditable records of those funds, cooperate in any risk assessments, and provide access to such records by federal, state, and county agencies or their designees.

Audit Workpapers

Audit workpapers and audit reports are to be retained by the provider's auditor for a minimum of three years from the date of issuance of the audit report unless the provider's auditor is notified in writing by the commonwealth, the cognizant, or oversight federal agency to extend the retention period. Audit workpapers shall be made available upon request to authorized representatives of the Commonwealth, the cognizant, or oversight agency, the federal funding agency, or the United States GAO.

Commonwealth of Pennsylvania Department of Human Services General Audit Provisions

The provider is responsible for obtaining the necessary audit and securing the services of a certified public accountant or other independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of federal awards.

The commonwealth reserves the right for federal and state agencies or their authorized representatives to perform additional audits of a financial or performance nature, if deemed necessary, by commonwealth or federal agencies. Any such additional audit work will rely on work already performed by the provider's auditor and the costs for any additional work performed by the federal or state agencies will be borne by those agencies at no additional cost to the provider.

Appendix A

Example Supplemental Schedules

Allegheny County Programs - Combined

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Appendix A

Allegheny County Supplemental Schedules

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Area Agency on Aging

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XYZ, Inc.
Schedule of Functional Expenditures, Revenues, Contract Amounts
Relating to Grants from Allegheny County DHS Programs
For The Year Ended June 30, 20XX

All Programs Summary

	Mental Health	Mental Retardation	Early Intervention	Drug & Alcohol	Homeless	Hunger	CYF	OCS	AGING	TOTAL
<u>Expenditures</u>										
Personnel Expenses	219,100	\$ 682,300	\$ 39,300	\$ 511,000	\$ 293,000	\$ 728,400	\$ 1,226,600	\$ 9,194,100	\$ 1,045,795	\$13,939,595
Administrative Costs	38,800	86,100	3,500	53,400	124,600	92,300	197,800	350,150	79,100	1,025,750
Operating Expenses	50,900	132,300	5,500	178,400	121,984	234,800	928,400	2,894,750	142,370	4,689,404
Purchased Treatment	1,400	3,300	\$ 2,000	-	-	74,700	79,000	2,231,000	89,362	2,480,762
Fixed Assets	2,400	24,600	1,700	7,200	9,600	62,900	7,100	73,400	31,500	220,400
Total Expenditures	312,600	928,600	52,000	750,000	549,184	1,193,100	2,438,900	14,743,400	1,388,127	22,355,911
Ineligible Expenses	-	(3,500)	-	-	-	(2,300)	-	-	-	(5,800)
Gross Eligible Expenses	312,600	925,100	52,000	750,000	549,184	1,190,800	2,438,900	14,743,400	1,388,127	22,350,111
<u>Revenue and Income</u>										
Program Service Fees	500	-	-	26,200	-	-	-	70,000	120,000	216,700
Private Insurance	9,400	-	-	40,200	-	-	-	-	-	49,600
Other Third Party Fees	21,500	-	-	1,500	-	-	-	-	-	23,000
Medical Assistance	38,600	121,350	-	104,500	-	-	-	-	-	264,450
Room and Board	8,700	-	-	-	-	113,300	-	-	-	122,000
Interest Income	1,500	6,200	-	500	3,900	7,700	300	7,000	7,330	34,430
Other (specify)	6,000	9,800	-	24,200	29,100	14,700	-	1,027,100	185,000	1,295,900
Total Revenue and Income	86,200	137,350	-	197,100	33,000	135,700	300	1,104,100	312,330	2,006,080
Net Eligible Expenditures	226,400	787,750	52,000	552,900	516,184	1,055,100	2,438,600	13,639,300	1,075,797	20,344,031
Retained Revenue	1,700	1,600	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,300
Total Reimbursable Expenditures	228,100	789,350	52,000	552,900	516,184	1,055,100	2,438,600	13,639,300	1,075,797	20,347,331
Allegheny County Contract Amount	233,000	789,375	52,000	678,900	498,084	1,087,000	2,442,600	13,602,700	981,775	20,365,434
Surplus (Deficit) of Contract Amount										
Over Total Reimbursable Expenditures	\$ 4,900	\$ 25	\$ -	\$ 126,000	\$ (18,100)	\$ 31,900	\$ 4,000	\$ (36,600)	\$ (94,022)	\$ 18,103

XYZ, Inc.
Schedule of Administrative Cost - Allegheny County DHS
For the Year Ended June 30, 20XX

Personnel Services	Amount
Wages & Salaries	\$ 436,787
Employee Benefits	186,378
Other Personnel Services	-
Advisory & Incorporated Board	7,500
Total Personnel Services	630,665
Operating Expenses	
Occupancy	246,015
Communications	15,100
Administrative Supplies	98,270
Administrative Staff Travel	23,200
Interest Expense	6,700
Hotel/Support Overhead Cost	-
Other Operating Expenses	29,300
Total Operating Expenses	418,585
Equipment and Fixed Assets	
Building and Land	20,200
Equipment/Furn/Motor Vehicles	18,700
Renovation/Repairs	3,700
Depreciation	2,900
Total Equipment and Fixed Assets	45,500
Less: Ineligible Costs	
Wages and Salaries	(23,000)
Benefits	(5,200)
Fixed Assets	(24,300)
Depreciation	-
Other Ineligible Costs (specify)	-
Total Ineligible Costs	(52,500)
Gross Administrative Costs	1,042,250
Less: Revenues	
Interest Earned	(16,500)
Other Revenue/Income (specify)	-
Total Revenue	(16,500)
Net Eligible Administrative Costs	\$ 1,025,750

Please see next page for Distribution of Costs

XYZ Agency, Inc.
Schedule of Administrative Cost - Allegheny County DHS
For the Year Ended June 30, 20XX

Distribution of Costs

	Total Allocation	% of Allocation	PY % of Allocation	% Variance
Behavioral Health - Mental Health	\$ 38,800	3.8%	<i>Agency to Complete</i>	
Mental Retardation	86,100	8.4%		
Early Intervention	3,500	0.3%		
Behavioral Health - Drug and Alcohol	53,400	5.2%		
Homeless	124,600	12.1%		
Hunger	92,300	9.0%		
CYF	197,800	19.3%		
OCS	350,150	34.1%		
Aging	79,100	7.7%		
Total Administrative Costs for all Programs	<u><u>\$ 1,025,750</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	

XYZ, Inc.
Schedule of Funding Source Relating to Grants
From Allegheny County DHS Programs
For the Year Ended June 30, 20XX

OCS
Contract # XXXXX

<u>Funding Sources</u>	<u>Amount</u>
Federal funds:	
MATP	89,400
CSBG	149,200
WIA-ADULT	153,700
WIA-YOUTH	160,000
EARN	160,700
TANF	138,400
AMERICORPS	178,300
HUD	854,000
HEAD START	9,521,500
State funds:	
MATP	466,900
Human Services Devlp Fund (HSDF)	1,240,400
Head Start	218,400
Other:	
County Match	
COUNTY: AFFORDABLE HOUSING	271,800
Allegheny County Contract Amount	\$ 13,602,700

XYZ, Inc.
Schedule of Functional Expenditures, Revenues, Contract Amounts
Relating to Grants from Allegheny County DHS Programs
For The Year Ended June 30, 20XX

OCS Programs

	DHS			DCEd	Labor and Industry					HUD	HHS	Alleg Cty	TOTAL
	MATP	MATP FFS *	HSDF	CSBG	WIA-ADULT	WIA-YOUTH	EARN	TANF	AMERICORPS	HUD SUPPORTIVE HOUSING	HEAD START	Affordable Housing	
Expenditures													
Personnel Expenses	\$130,000	\$320,000	\$1,143,800	\$121,000	\$78,700	\$87,500	\$84,600	\$70,000	\$69,500	\$ -	\$6,884,000	\$205,000	9,194,100
Administrative Costs	-	-	-	-	14900	15800	16300	13800	17900	30550	240900	-	350,150
Operating Expenses	24,300	-	162,400	23,000	57,100	53,800	56,800	51,600	85,600	1,223,450	1,090,100	66,600	2,894,750
Purchased Treatment	-	83,500	30,000	-	-	-	-	-	-	-	2115500	2000	2,231,000
Fixed Assets	-	-	4,700	5,200	3,000	2,900	3,000	3,000	5,300	-	-	46,300	73,400
Total Expenditures	154,300	403,500	1,340,900	149,200	153,700	160,000	160,700	138,400	178,300	1,254,000	10,330,500	319,900	14,743,400
Ineligible Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Eligible Expenditures	154,300	403,500	1,340,900	149,200	153,700	160,000	160,700	138,400	178,300	1,254,000	10,330,500	319,900	14,743,400
Revenue and Income													
Program Service Fees	0	0	70,000	0	0	0	0	0	0	0	0	0	70,000
Private Insurance	0	0	0	0	0	0	0	0	0	0	0	0	-
Other Third Party Fees	0	0	0	0	0	0	0	0	0	0	0	0	-
Medical Assistance	0	0	0	0	0	0	0	0	0	0	0	0	-
Room and Board	0	0	-	0	0	0	0	0	0	0	0	0	-
Interest Income	1,500	0	500	0	0	0	0	0	0	0	0	5000	7,000
Other (specify)	0	0	34,000	0	0	0	0	0	0	400000	590600	2500	1,027,100
Total Revenue and Income	1,500	-	104,500	-	-	-	-	-	-	400000	590600	7500	1,104,100
Net Eligible Expenditures	152,800	403,500	1,236,400	149,200	153,700	160,000	160,700	138,400	178,300	854,000	9,739,900	312,400	13,639,300
Allegheny County Contract Amount	152,800	403,500	1,240,400	149,200	153,700	160,000	160,700	138,400	178,300	854,000	9,739,900	271,800	13,602,700
Surplus (Deficit) of Contract Amount	-	-	4,000	-	-	-	-	-	-	-	-	-40600	-36,600
Over Total Reimbursable Expenditures	\$ -	\$ -	\$4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -40600	\$ -36,600

* Fee for Service

LEDGEND:
DHS (Also see Homeless Schedules)
DCEd
Labor and Industry
HUD
HHS
Affordable Housing

Guidelines Reference
PA Department of Human Services
PA Community & Economic Development
PA Department of Labor and Industry
U.S. Department of Housing & Urban Development
U.S. Department of Health & Human Services
Allegheny County Affordable Housing

XYZ, INC.
DETAIL OF UNIT COSTS TOTALS
RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS
FOR THE YEAR ENDING JUNE 30, 20XX

MATP PROGRAM
OCS CONTRACT #XXXXX

	TOTAL NUMBER OF CLIENTS SERVED FOR THE YEAR	TOTAL NUMBER OF UNDUPLICATED CLIENTS SERVED FOR THE YEAR	TOTAL NUMBER OF ONE WAY TRIPS FOR THE YEAR	UNIT RATE	NET EXPENDITURES (Trips X Rate)	CONTRACT BUDGET	VARIANCE
GROUP I - Total Medical Trips for Clients with Eligible MA Codes. (Federally Funded)	15,600	8,700	16,250	\$ 10	162,500	185,000	22,500
GROUP II - Total Medical Trips for Clients with Eligible MA Codes	21,200	11,385	24,100	\$ 10	241,000	275,500	34,500
TOTAL	36,800	20,085	40,350	\$ 10	403,500	460,500	57,000

Allegheny County Payments

403,500

Due (To)/From Allegheny County

0

NOTE: Amounts from this schedule do not appear on the Schedule of Functional Expenditures, Revenues, Contract Amounts Relating to Grants from Allegheny County DHS Programs. This schedule is to be completed for Fee for Service Expenditures ONLY.

XYZ, INC.
SCHEDULE OF EXPENDITURES AND INCOME
RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS
FOR THE PERIOD ENDING JUNE 30, 20XX

MATP PROGRAMS
OCS CONTRACT #XXXXX

CATEGORIES	CONTRACT BUDGET	TOTAL COST	VARIANCE
Expenditures			
SALARIES	125,000	110,000	15,000
FRINGE BENEFITS	35,000	20,000	15,000
TRAVEL - LOCAL	-	-	-
TRAVEL - OUT-OF-TOWN	-	-	-
RENT	16,250	14,400	1,850
UTILITIES	4,550	3,600	950
EQUIPMENT - PURCHASED	2,100	-	2,100
EQUIPMENT - RENT/LEASED	-	-	-
MATERIALS & SUPPLIES	5,745	5,000	745
OTHER	1,475	1,300	175
Revenue			
INTEREST EARNED	(1,000)	(1,500)	500
TOTALS	189,120	152,800	36,320
Allegheny County Payments		152,800	
Due (To)/From Allegheny County		0	

XYZ, INC.
SCHEDULE OF FUNCTIONAL REVENUE AND EXPENDITURES
RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAM
FOR THE YEAR ENDING JUNE 30, 20XX

HSDf PROGRAM
OCS CONTRACT #XXXXX

CATEGORIES	CONTRACT BUDGET	TOTAL COST	VARIANCE
Expenditures			
SALARIES	1,075,300	880,600	194,700
FRINGE BENEFITS	365,000	263,200	101,800
CONTRACTED SERVICES	35,000	30,000	5,000
TRAVEL - LOCAL	3,200	2,500	700
RENT	32,000	26,700	5,300
UTILITIES	20,900	18,900	2,000
EQUIPMENT/PURCHASES	5,000	4,700	300
EQUIPMENT/RENT OR LEASE	3,000	2,500	500
MATERIALS & SUPPLIES	83,300	80,800	2,500
OTHER COSTS	32,500	31,000	1,500
Total Expenditures	1,655,200	1,340,900	314,300
Revenue			
PROGRAM SERVICE FEES	85,000	70,000	15,000
ROOM AND BOARD	-	-	-
INTEREST INCOME	1,000	500	500
OTHER (SPECIFY)	41,000	34,000	7,000
Total Revenue	127,000	104,500	22,500
Net Expenditures	1,655,200	1,236,400	418,800
Allegheny County Payments		1,240,400	
Due (To)/From Allegheny County		(4,000)	

XYZ, INC.
SCHEDULE OF FUNCTIONAL EXPENDITURES
RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS
FOR THE YEAR ENDING JUNE 30, 20XX

CSBG PROGRAM
OCS CONTRACT #XXXXX

CATEGORIES	CONTRACT BUDGET	TOTAL COST	VARIANCE
Administration			
Personnel			
Salaries and Wages	-	-	-
Fringe Benefits	-	-	-
Total Personnel	-	-	-
Operating Expenses			
Travel	-	-	-
Rent/Lease/Usage Allowance	-	-	-
Utilities	-	-	-
Materials/Supplies	-	-	-
Insurance	-	-	-
Other Miscellaneous	-	-	-
Indirect Costs	-	-	-
Total Administration Operating	-	-	-
Total Administration	-	-	-
Program Expenses			
<u>Personnel</u>			
Salaries and Wages	93,900	93,077	823
Fringe Benefits	28,170	27,923	247
Total Personnel	122,070	121,000	1,070
<u>Operating Expenses</u>			
Travel	1,400	1,250	150
Rent/Lease/Usage Allowance	5,000	4,900	100
Utilities	1,500	1,450	50
Materials/Supplies	8,230	8,200	30
Insurance	-	-	-
Other Miscellaneous	7,650	7,200	450
Indirect Costs	-	-	-
Work Experience/Internship	-	-	-
Wages/Salaries	-	-	-
Fringe Benefits	-	-	-
Participant Tuition	-	-	-
Individual Training Accounts	-	-	-
On the Job Training	-	-	-
Other Participant	-	-	-
Total Operating	23,780	23,000	780
<u>Fixed Assets</u>			
Equipment	5,250	5,200	50
Computer Hardware	-	-	-
Computer Software	-	-	-
Other (Specify)	-	-	-
Total Fixed Assets	5,250	5,200	50
Total All Categories	151,100	149,200	1,900
Allegheny County Payments		149,200	
Due (To)/From Allegheny County		0	

XYZ, INC.
SCHEDULE OF FUNCTIONAL EXPENDITURES
RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS
FOR THE YEAR ENDING JUNE 30, 20XX

WORKFORCE INVESTMENT ACT- ADULT PROGRAM
OCS CONTRACT #XXXXX

CATEGORIES	CONTRACT BUDGET	TOTAL COST	VARIANCE
Administration			
Personnel			
Salaries and Wages	11,100	9,300	1,800
Fringe Benefits	1,100	2,800	(1,700)
Total Personnel	<u>12,200</u>	<u>12,100</u>	<u>100</u>
Operating Expenses			
Travel	150	200	(50)
Rent/Lease/Usage Allowance	1,300	1,200	100
Utilities	450	400	50
Materials/Supplies	1,000	900	100
Insurance	-	-	-
Other Miscellaneous	100	100	-
Indirect Costs	-	-	-
Total Administration Operating	<u>3,000</u>	<u>2,800</u>	<u>200</u>
Total Administration	<u>15,200</u>	<u>14,900</u>	<u>300</u>
Program Expenses			
Personnel			
Salaries and Wages	80,000	69,700	10,300
Fringe Benefits	9,450	9,000	450
Total Personnel	<u>89,450</u>	<u>78,700</u>	<u>10,750</u>
Operating Expenses			
Travel	400	400	-
Rent/Lease/Usage Allowance	5,000	4,900	100
Utilities	1,500	1,450	50
Materials/Supplies	3,750	3,500	250
Insurance	-	-	-
Other Miscellaneous	2,600	2,500	100
Indirect Costs	-	-	-
Work Experience/Internship			
Wages/Salaries	10,000	9,900	100
Fringe Benefits	3,000	3,050	(50)
Participant Tuition	35,000	14,950	20,050
Individual Training Accounts	26,000	16,450	9,550
On the Job Training	-	-	-
Other Participant	-	-	-
Total Operating	<u>87,250</u>	<u>57,100</u>	<u>30,150</u>
Fixed Assets			
Equipment	3,100	3,000	100
Computer Hardware	-	-	-
Computer Software	-	-	-
Other (Specify)	-	-	-
Total Fixed Assets	<u>3,100</u>	<u>3,000</u>	<u>100</u>
Total All Categories	<u>195,000</u>	<u>153,700</u>	<u>41,300</u>
Allegheny County Payments		<u>153,700</u>	
Due (To)/From Allegheny County		<u>0</u>	

XYZ, INC.
SCHEDULE OF FUNCTIONAL EXPENDITURES
RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS
FOR THE YEAR ENDING JUNE 30, 20XX

EMPLOYMENT, ADVANCEMENT AND RETENTION NETWORK (EARN)
OCS CONTRACT #XXXXX

CATEGORIES	CONTRACT BUDGET	TOTAL COST	VARIANCE
Administration			
Personnel			
Salaries and Wages	11,000	10,200	800
Fringe Benefits	3,200	3,100	100
Total Personnel	14,200	13,300	900
Operating Expenses			
Travel	150	100	50
Rent/Lease/Usage Allowance	1,350	1,200	150
Utilities	300	500	(200)
Materials/Supplies	1,000	1,000	-
Insurance	-	-	-
Other Miscellaneous	100	200	(100)
Indirect Costs	-	-	-
Total Administration Operating	2,900	3,000	(100)
Total Administration	17,100	16,300	800
Program Expenses			
<u>Personnel</u>			
Salaries and Wages	66,000	65,000	1,000
Fringe Benefits	23,000	19,600	3,400
Total Personnel	89,000	84,600	4,400
<u>Operating Expenses</u>			
Travel	400	500	(100)
Rent/Lease/Usage Allowance	5,000	5,100	(100)
Utilities	1,500	1,400	100
Materials/Supplies	4,000	3,500	500
Insurance	-	-	-
Other Miscellaneous	2,400	2,200	200
Indirect Costs	-	-	-
Work Experience/Internship			
Wages/Salaries	12,000	11,200	800
Fringe Benefits	6,200	3,000	3,200
Participant Tuition	15,000	14,000	1,000
Individual Training Accounts	16,000	15,900	100
On the Job Training	-	-	-
Other Participant	-	-	-
Total Operating	62,500	56,800	5,700
<u>Fixed Assets</u>			
Equipment	3,100	3,000	100
Computer Hardware	-	-	-
Computer Software	-	-	-
Other (Specify)	-	-	-
Total Fixed Assets	3,100	3,000	100
Total All Categories	171,700	160,700	11,000
Allegheny County Payments		160,700	
Due (To)/From Allegheny County		0	

XYZ, INC.
SCHEDULE OF FUNCTIONAL EXPENDITURES
RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS
FOR THE YEAR ENDING JUNE 30, 20XX

WORKFORCE INVESTMENT ACT-YOUTH PROGRAM
OCS CONTRACT #XXXXX

CATEGORIES	CONTRACT BUDGET	TOTAL COST	VARIANCE
Administration			
Personnel			
Salaries and Wages	11,100	10,100	1,000
Fringe Benefits	3,300	3,000	300
Total Personnel	14,400	13,100	1,300
Operating Expenses			
Travel	150	100	50
Rent/Lease/Usage Allowance	1,350	1,200	150
Utilities	450	400	50
Materials/Supplies	1,000	900	100
Insurance	-	-	-
Other Miscellaneous	100	100	-
Indirect Costs	-	-	-
Total Administration Operating	3,050	2,700	350
Total Administration	17,450	15,800	1,650
Program Expenses			
<u>Personnel</u>			
Salaries and Wages	81,000	78,500	2,500
Fringe Benefits	10,000	9,000	1,000
Total Personnel	91,000	87,500	3,500
<u>Operating Expenses</u>			
Travel	400	400	-
Rent/Lease/Usage Allowance	5,000	4,900	100
Utilities	1,500	1,400	100
Materials/Supplies	3,700	3,500	200
Insurance	-	-	-
Other Miscellaneous	2,600	2,200	400
Indirect Costs	-	-	-
Work Experience/Internship			
Wages/Salaries	14,000	11,000	3,000
Fringe Benefits	4,200	3,300	900
Participant Tuition	12,000	12,500	(500)
Individual Training Accounts	15,000	14,600	400
On the Job Training	-	-	-
Other Participant	-	-	-
Total Operating	58,400	53,800	4,600
<u>Fixed Assets</u>			
Equipment	3,100	2,900	200
Computer Hardware	-	-	-
Computer Software	-	-	-
Other (Specify)	-	-	-
Total Fixed Assets	3,100	2,900	200
Total All Categories	169,950	160,000	9,950
Allegheny County Payments		160,000	
Due (To)/From Allegheny County		0	

XYZ, INC.
SCHEDULE OF FUNCTIONAL EXPENDITURES
RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS
FOR THE YEAR ENDING JUNE 30, 20XX

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)
OCS CONTRACT #XXXXX

CATEGORIES	CONTRACT BUDGET	TOTAL COST	VARIANCE
Administration			
Personnel			
Salaries and Wages	9,850	8,600	1,250
Fringe Benefits	2,300	2,400	(100)
Total Personnel	<u>12,150</u>	<u>11,000</u>	<u>1,150</u>
Operating Expenses			
Travel	150	200	(50)
Rent/Lease/Usage Allowance	1,350	1,200	150
Utilities	410	400	10
Materials/Supplies	1,000	900	100
Insurance	-	-	-
Other Miscellaneous	200	100	100
Indirect Costs	-	-	-
Total Administration Operating	<u>3,110</u>	<u>2,800</u>	<u>310</u>
Total Administration	<u>15,260</u>	<u>13,800</u>	<u>1,460</u>
Program Expenses			
<u>Personnel</u>			
Salaries and Wages	54,000	53,800	200
Fringe Benefits	16,200	16,200	-
Total Personnel	<u>70,200</u>	<u>70,000</u>	<u>200</u>
<u>Operating Expenses</u>			
Travel	400	500	(100)
Rent/Lease/Usage Allowance	2,500	2,500	-
Utilities	1,500	1,400	100
Materials/Supplies	3,750	3,400	350
Insurance	-	-	-
Other Miscellaneous	2,600	2,200	400
Indirect Costs	-	-	-
Work Experience/Internship			
Wages/Salaries	14,000	9,800	4,200
Fringe Benefits	4,200	2,900	1,300
Participant Tuition	17,900	13,000	4,900
Individual Training Accounts	16,295	15,900	395
On the Job Training	-	-	-
Other Participant	-	-	-
Total Operating	<u>63,145</u>	<u>51,600</u>	<u>11,545</u>
<u>Fixed Assets</u>			
Equipment	3,100	3,000	100
Computer Hardware	-	-	-
Computer Software	-	-	-
Other (Specify)	-	-	-
Total Fixed Assets	<u>3,100</u>	<u>3,000</u>	<u>100</u>
Total All Categories	<u>151,705</u>	<u>138,400</u>	<u>13,305</u>
Allegheny County Payments		<u>138,400</u>	
Due (To)/From Allegheny County		<u>0</u>	

XYZ, INC.
SCHEDULE OF FUNCTIONAL EXPENDITURES
RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS
FOR THE YEAR ENDING JUNE 30, 20XX

AMERICORPS PROGRAM
OCS CONTRACT #XXXXX

CATEGORIES	CONTRACT BUDGET	TOTAL COST	VARIANCE
Administration			
Personnel			
Salaries and Wages	9,850	8,600	1,250
Fringe Benefits	2,775	2,400	375
Total Personnel	12,625	11,000	1,625
Operating Expenses			
Travel	150	300	(150)
Rent/Lease/Usage Allowance	1,350	1,200	150
Utilities	410	400	10
Materials/Supplies	2,390	2,100	290
Insurance	-	-	-
Other Miscellaneous	3450	2900	550
Indirect Costs	-	-	-
Total Administration Operating	7,750	6,900	850
Total Administration	20,375	17,900	2,475
Program Expenses			
<u>Personnel</u>			
Salaries and Wages	53,000	53,700	(700)
Fringe Benefits	16,200	15,800	400
Total Personnel	69,200	69,500	(300)
<u>Operating Expenses</u>			
Travel	400	600	(200)
Rent/Lease/Usage Allowance	2,500	2,500	-
Utilities	1,500	1,400	100
Materials/Supplies	6,360	2,900	3,460
Insurance	-	-	-
Other Miscellaneous	5,150	2,200	2,950
Indirect Costs	-	-	-
Work Experience/Internship			
Wages/Salaries	62,550	59,000	3,550
Fringe Benefits	18,765	17,000	1,765
Participant Tuition	-	-	-
Individual Training Accounts	-	-	-
On the Job Training	-	-	-
Other Participant	-	-	-
Total Operating	97,225	85,600	11,625
<u>Fixed Assets</u>			
Equipment	3,100	5,300	(2,200)
Computer Hardware	-	-	-
Computer Software	-	-	-
Other (Specify)	-	-	-
Total Fixed Assets	3,100	5,300	(2,200)
Total All Categories	189,900	178,300	11,600
Allegheny County Payments		178,300	
Due (To)/From Allegheny County		0	

XYZ, INC.
SCHEDULE OF FUNCTIONAL EXPENDITURES
RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS
FOR THE YEAR ENDING JUNE 30, 20XX

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)
SUPPORTIVE HOUSING PROGRAM
OCS CONTRACT #XXXXX

CATEGORIES	CONTRACT BUDGET	TOTAL COST	VARIANCE
ACQUISITION	-		
REHABILITATION	-		
NEW CONSTRUCTION	470,500	395,800	74,700
OPERATING	255,000	252,550	2,450
SUPPORTIVE SERVICES	600,000	575,100	24,900
REAL PROPERTY LEASING	-	-	-
AGENCY ADMINISTRATION	34,000	30,550	3,450
SUBTOTAL	<u>1,359,500</u>	<u>1,254,000</u>	<u>105,500</u>
Less: AGENCY MATCH	(234,850)	(400,000)	-
TOTALS	<u><u>1,124,650</u></u>	<u><u>854,000</u></u>	
Allegheny County Payments		<u>854,000</u>	
Due (To)/From Allegheny County		<u><u>0</u></u>	

XYZ, INC.
SCHEDULE OF INCOME AND EXPENDITURES
RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS
FOR THE PERIOD ENDING JUNE 30, 20XX

HEAD START PROGRAM
OCS CONTRACT #XXXXX

CATEGORIES	CONTRACT BUDGET	TOTAL COST	VARIANCE
Expenditures			
PERSONNEL FEDERAL	5,323,000	5,295,000	28,000
FRINGE BENEFITS FEDERAL	1,597,000	1,589,000	8,000
EQUIPMENT FEDERAL	-	-	-
SUPPLIES FEDERAL	205,300	181,400	23,900
CONTRACTUAL FEDERAL	2,120,000	2,115,500	4,500
OTHER COSTS FEDERAL	692,000	690,300	1,700
INDIRECT COSTS FEDERAL	241,000	240,900	100
Total Federal Expenditures	10,178,300	10,112,100	66,200
Revenues			
U.S.D.A.SUBSIDY	(505,800)	(500,800)	(5,000)
CHILDCARE SUBSIDY	(91,800)	(89,800)	(2,000)
Total Revenues	(597,600)	(590,600)	(7,000)
FEDERAL TOTALS	9,580,700	9,521,500	59,200
NON-FEDERAL		218,400	
TOTALS		9,739,900	
Allegheny County Payments		9,739,900	
Due (To)/From Allegheny County		0	

XYZ, INC.
SCHEDULE OF INCOME AND EXPENDITURES
RELATING TO GRANTS FROM ALLEGHENY COUNTY
FOR THE PERIOD ENDING JUNE 30, 20XX

AFFORDABLE HOUSING PROGRAM
OCS CONTRACT #XXXXXX

CATEGORIES	CONTRACT BUDGET	TOTAL COST	VARIANCE
Expenditures			
<u>Personnel</u>			
Wages and Salaries	187,500	185,000	2,500
Benefits	19,000	18,000	1,000
Training/Conferences	2,100	2,000	100
Total Personnel	208,600	205,000	3,600
<u>Operating</u>			
Rent	9,700	9,600	100
Communications	1,100	1,200	(100)
Insurance	5,000	4,800	200
Legal Services/Audits	1,100	1,000	100
Supplies	1,300	1,500	(200)
Staff Travel	1,800	1,700	100
Overhead	1,000	-	1,000
Systems Consultants	26,100	26,000	100
Occupancy Costs	800	500	300
Total Operating	47,900	46,300	1,600
<u>Fixed Assets</u>			
Real Property	26,200	25,000	1,200
Equipment	13,000	12,500	500
Furnishings/Appliances	2,300	2,200	100
Repairs	3,000	3,600	(600)
Renovations	3,300	3,000	300
Total Fixed Assets	47,800	46,300	1,500
<u>Client Expenses:</u>			
Rental Assistance	5,500	5,400	100
Security Deposits	1,600	1,600	-
Utilities	3,700	3,600	100
Food	8,300	8,200	100
Transportation	1,500	1,500	-
Purchased Services	2,200	2,000	200
Total Client	22,800	22,300	500
Total Expenditures	327,100	319,900	7,200
Revenue			
Interest Earned	6,000	5,000	1,000
Client Contributions	2,000	-	2,000
Other: (Specify)	3,000	2,500	500
Total Revenue	11,000	7,500	3,500
Net Reimbursable Expenditures	316,100	312,400	3,700
Allegheny County Payments		271,800	
Due (To)/From Allegheny County		40,600	

XYZ, Inc.
Schedule of Functional Expenditures, Revenues, Contract Amounts
Relating to Grants from Allegheny County DHS Programs
For The Year Ended June 30, 20XX

Hunger Programs / PA Department of Agriculture
Contract # XXXXX

	TEFAP	SFPP	TOTAL
<u>Expenditures</u>			
Personnel Expenses	593,400	135,000	728,400
Administrative Costs	72,900	19,400	92,300
Operating Expenses	174,800	60,000	234,800
Purchased Treatment	43,300	31,400	74,700
Fixed Assets	36,500	26,400	62,900
Total Expenditures	920,900	272,200	1,193,100
Ineligible Expenditures		(2,300)	(2,300)
Gross Eligible Expenditures	920,900	269,900	1,190,800
<u>Revenue and Income</u>			
Program Service Fees	-	-	-
Private Insurance	-	-	-
Other Third Party Fees	-	-	-
Medical Assistance			
Room and Board	65,700	47,600	113,300
Interest Income	4,500	3,200	7,700
Other (specify)	8,500	6,200	14,700
Total Revenue and Income	78,700	57,000	135,700
Net Eligible Expenditures	842,200	212,900	1,055,100
Retained Revenue	N/A	N/A	N/A
Total Reimbursable Expenditures	842,200	212,900	1,055,100
Allegheny County Contract Amount	862,000	225,000	1,087,000
Surplus (Deficit) of Contract Amount			
Over Total Reimbursable Expenditures	19,800	12,100	31,900

XYZ, Inc.
Schedule of Funding Sources Relating to Grants
From Allegheny County DHS Programs
For the Year Ended June 30, 20XX

Homeless / DHS
Contract # XXXXX

<u>Funding Sources</u>	<u>Amount</u>
Federal funds:	
Block Grants for Prevention and Treatment of Substance Abuse CFDA# 93.959	\$ 84,500
State funds:	
Homeless Assistance Programs Appr. # 160	413,584
Other:	
Allegheny County Contract Amount	\$ <u>498,084</u>

XYZ, Inc.
Schedule of Functional Expenditures, Revenues, Contract Amounts
Relating to Grants from Allegheny County DHS Programs
For The Year Ended June 30, 20XX

Homeless Programs / DHS
Contract # XXXXX

	Case Management	Housing Assistance	PennFree Bridge Housing	Bridge Housing	Emergency Shelter	TOTAL
<u>Expenditures</u>						
Personnel Expenses	\$ 82,200	\$ 16,000	\$ 68,600	\$ 126,200	\$ -	\$ 293,000
Administrative Costs	7,900	8,200	-	108,500	-	\$ 124,600
Operating Expenses	5,400	2,400	19,400	26,200	68,584	\$ 121,984
Purchased Treatment	-	-	-	-	-	\$ -
Fixed Assets	2,600	1,000	-	6,000	-	\$ 9,600
Total Expenditures	98,100	27,600	88,000	266,900	68,584	549,184
Ineligible Expenditures	-	-	-	-	-	-
Gross Eligible Expenditures	98,100	27,600	88,000	266,900	68,584	549,184
<u>Revenue and Income</u>						
Program Service Fees	-	-	-	-	-	-
Private Insurance	-	-	-	-	-	-
Other Third Party Fees	-	-	-	-	-	-
Medical Assistance	-	-	-	-	-	-
Room and Board	-	-	-	-	-	-
Interest Income	900	300	700	1,500	500	3,900
Other (specify)	6,600	1,200	700	20,200	400	29,100
Total Revenue and Income	7,500	1,500	1,400	21,700	900	33,000
Net Eligible Expenditures	90,600	26,100	86,600	245,200	67,684	516,184
Retained Revenue	N/A	N/A	N/A	N/A	N/A	N/A
Total Reimbursable Expenditures	90,600	26,100	86,600	245,200	67,684	516,184
Allegheny County Contract Amount	79,000	28,800	84,500	240,600	65,184	498,084
Surplus (Deficit) of Contract Amount						
Over Total Reimbursable Expenditures	\$ (11,600)	\$ 2,700	\$ (2,100)	\$ (4,600)	\$ (2,500)	\$ (18,100)

XYZ, Inc.
Combined Homeless Assistance Detailed Expenditure Report
For The Year Ended June 30, 20XX

Homeless Programs / DHS
Contract # XXXXX

	Case Management	Housing Assistance	PennFree Bridge Housing	Bridge Housing	Emergency Shelter	TOTAL
Expenditures						
<u>Personnel</u>						
Wages and Salaries	\$77,700	\$14,100	\$65,300	\$84,840	\$ -	\$241,940
Benefits	4,200	1,900	3,300	36,360	-	45,760
Training/Conferences	300	-	-	5,000	-	5,300
Total Personnel	82,200	16,000	68,600	126,200	-	293,000
<u>Administrative</u>	7,900	8,200	-	108,500	-	124,600
<u>Operating</u>						
Rent	3,000	-	1,600	12,000	-	16,600
Communications	-	200	-	1,350	-	1,550
Insurance	1,500	250	1,500	2,050	-	5,300
Legal Services/Audits	500	400	500	3,500	-	4,900
Supplies	400	30	210	2,180	29,484	32,304
Staff Travel	-	-	-	1,320	-	1,320
System Consultants	-	-	-	3,500	-	3,500
Occupancy Costs	-	-	-	-	-	-
Total Operating	5,400	880	3,810	25,900	29,484	65,474
<u>Fixed Assets</u>						
Real Property	2,600	1,000	-	-	-	3,600
Equipment	-	-	-	6,000	-	6,000
Furnishings/Appliances	-	-	-	-	-	-
Repairs	-	-	-	-	-	-
Renovations	-	-	-	-	-	-
Total Fixed Assets	2,600	1,000	-	6,000	-	9,600
<u>Client Expenses</u>						
Food	-	-	2,190	-	-	2,190
Rental Assistance	-	-	13,000	-	3,800	16,800
Security Deposits	-	1,520	-	-	-	1,520
Utilities	-	-	-	-	-	-
Mass Shelter (nights)	-	-	-	-	35,300	35,300
Purchased Services	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Motel/Hotel/Boarding Home	-	-	400	300	-	700
Total Client Expenses	-	1,520	15,590	300	39,100	56,510
Total Expenditures	98,100	27,600	88,000	266,900	68,584	549,184

XYZ, Inc.
**Schedule of Funding Sources Relating to Grants
 From Allegheny County DHS Programs
 For the Year Ended June 30, 20XX**

**Behavioral Health - Drug and Alcohol / DDAP
 Contract # XXXXX**

<u>Funding Sources</u>	<u>Amount</u>
Federal funds:	
Block Grants for Prevention and Treatment of Substance Abuse	
CFDA# 93.959	\$ 170,000
State funds:	
DOH - DA OPS	265,000
DOH - BHSI	226,900
Other:	
County Match	17,000
Allegheny County Contract Amount	\$ 678,900

XYZ, Inc.
Schedule of Functional Expenditures, Revenues, Contract Amounts
Relating to Grants from Allegheny County DHS Programs
For The Year Ended June 30, 20XX

Behavioral Health - Drug and Alcohol Programs
Contract # XXXXX

	Education Information	Inpatient Non-Hospital Detox	Inpatient Non-Hospital Res Treat & Rehab	Outpatient Drug Free	Partial	TOTAL
<u>Expenditures</u>						
Personnel Expenses	\$ 13,300	\$ 63,800	\$ 385,000	\$ 22,400	\$ 26,500	\$ 511,000
Administrative Costs	4,500	7,000	38,000	1,900	2,000	53,400
Operating Expenses	4,500	21,500	135,000	8,000	9,400	178,400
Purchased Treatment	-	-	-	-	-	-
Fixed Assets	-	-	7,200	-	-	7,200
Total Expenditures	22,300	92,300	565,200	32,300	37,900	750,000
Ineligible Expenditures	-	-	-	-	-	-
Gross Eligible Expenditures	22,300	92,300	565,200	32,300	37,900	750,000
<u>Revenue and Income</u>						
Program Service Fees	700	3,300	19,600	1,200	1,400	26,200
Private Insurance	-	-	37,600	-	2,600	40,200
Other Third Party Fees	-	1,500	-	-	-	1,500
Medical Assistance	-	-	97,800	-	6,700	104,500
Room and Board	-	-	-	-	-	-
Interest Income	-	-	500	-	-	500
Other (specify)	2,400	-	15,000	5,800	1,000	24,200
Total Revenue and Income	3,100	4,800	170,500	7,000	11,700	197,100
Net Eligible Expenditures	19,200	87,500	394,700	25,300	26,200	552,900
Retained Revenue	N/A	N/A	N/A	N/A	N/A	N/A
Total Reimbursable Expenditures	19,200	87,500	394,700	25,300	26,200	552,900
Allegheny County Contract Amount	19,200	115,000	480,200	31,300	33,200	678,900
Surplus (Deficit) of Contract Amount						
Over Total Reimbursable Expenditures	\$ -	\$ 27,500	\$ 85,500	\$ 6,000	\$ 7,000	\$ 126,000

NOTE: CCBHO activity is NOT to be included on this schedule.

XYZ, Inc.
Allegheny County DHS
Schedule of Units Of Service for the Year Ending June 30, 20XX

Behavior Health - Drug and Alcohol
Contract #XXXXX

Cost Center	CCBHO Service Code	Budgeted Units of Svc.	Actual Units of Svc. (1)	Contract Billing Rate (2)	Gross Fee For Service Reimbursement	Other Revenue (3)	Net Fee For Service Reimbursement
<u>Inpatient Non-Hosp Detox - 82A</u>							
Base	H0013	650	600	\$ 68.40	\$ 41,040		
BHSI	H0013	650	700	68.40	47,880		
Act 152	H0013	375	400	68.40	27,360		
	<i>82A Total</i>		1,700		116,280	4,800	\$ 111,480
<u>Inpatient Non-Hosp Res. Treat & Rehab - 82B</u>							
Base	H2036	2100	2,000	105.00	210,000		
BHSI	H2036	2900	3,000	105.00	315,000		
Act 152	H2036	1500	1,500	105.00	157,500		
	<i>82B Total</i>		6,500		682,500	170,500	\$ 512,000
<u>Outpatient - Drug Free - 86A1</u>							
Assessment/Intake - Base	90806 FD	150	160	83.00	13,280		
Assessment/Intake - BHSI	90806 FD	150	150	83.00	12,450		
Urinalysis - Base	H0001 UB	1200	1,125	3.00	3,375		
Urinalysis - BHSI	H0001 UB	400	375	3.00	1,125		
Individual Counseling - Family Collateral - Base	90804	50	50	30.00	1,500		
Individual Counseling - Family Collateral - BHSI	90804	50	40	30.00	1,200		
Case Management - Base	T1017	75	75	12.00	900		
Case Management - BHSI	T1017	175	150	12.00	1,800		
	<i>86A1 Total</i>		2,125		35,630	7,000	\$ 28,630
<u>Partial - 85</u>							
Assessment/Intake - Base	90806 FD	80	75	83.00	6,225		
Assessment/Intake - BHSI	90806 FD	80	75	83.00	6,225		
Urinalysis - Base	H0001 SC	1500	1,400	10.00	14,000		
Urinalysis - BHSI	H0001 SC	950	1,000	10.00	10,000		
Individual Counseling - Family Collateral - Base	90804	150	125	30.00	3,750		
Individual Counseling - Family Collateral - BHSI	90804	130	100	30.00	3,000		
Case Management - Base	T1017	150	175	12.00	2,100		
Case Management - BHSI	T1017	200	200	12.00	2,400		
	<i>85 Total</i>		3,150		\$ 47,700	11,700	\$ 36,000

Comments:

1. Units must be reconciled to ALDA.
2. Contract/Billing rate must agree to the applicable Work Statement by cost center and service.
3. Other Revenue must agree with the Total Revenue and Income figure displayed on the "Schedule of Functional Expenditures..."
4. CCBHO activity must not be included on this schedule.

XYZ, Inc.
Schedule of Funding Sources Relating to Grants
From Allegheny County DHS Programs
For the Year Ended June 30, 20XX

Behavioral Health - Mental Health / DHS
Contract # XXXXX

<u>Funding Sources</u>	<u>Amount</u>
Federal funds:	
CMHBG	CFDA# 93.958 \$ 45,000
SSBG	CFDA# 93.667 50,000
State funds:	
CHIPP	Appr. # 10248 35,000
State Maintenance	Appr. # 10248 80,000
Other:	
County Match	23,000
Allegheny County Contract Amount	\$ <u>233,000</u>

XYZ, Inc.
Schedule of Functional Expenditures, Revenues, Contract Amounts
Relating to Grants from Allegheny County DHS Programs
For The Year Ended June 30, 20XX

Behavioral Health - Mental Health Programs
Contract # XXXXX

	Outpatient (FFS)	Intensive Case Management (FFS)	Facility-Based Voc. Services (PF)	Resource Coordination (FFS)	Family Support Svcs. (PF)	TOTAL
<u>Expenditures</u>						
Personnel Expenses	\$ 54,800	\$ 57,100	\$ 60,700	\$ 6,200	\$ 40,300	\$219,100
Administrative Costs	7,600	10,100	10,100	1,500	9,500	38,800
Operating Expenses	10,200	13,200	14,100	1,100	12,300	50,900
Purchased Treatment	-	1,400	-	-	-	1,400
Fixed Assets	900	1,500	-	-	-	2,400
Total Expenditures	<u>73,500</u>	<u>83,300</u>	<u>84,900</u>	<u>8,800</u>	<u>62,100</u>	<u>312,600</u>
Ineligible Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross Eligible Expenditures	<u>73,500</u>	<u>83,300</u>	<u>84,900</u>	<u>8,800</u>	<u>62,100</u>	<u>312,600</u>
<u>Revenue and Income</u>						
Program Service Fees	-	-	-	500	-	500
Private Insurance	-	2,700	3,900	-	2,800	9,400
Other Third Party Fees	-	-	-	-	21,500	21,500
Medical Assistance	-	5,100	29,300	-	4,200	38,600
Room and Board	3,200	1,200	4,300	-	-	8,700
Interest Income	-	-	200	100	1,200	1,500
Other (specify)	2,400	1,200	2,200	200	-	6,000
Total Revenue and Income	<u>5,600</u>	<u>10,200</u>	<u>39,900</u>	<u>800</u>	<u>29,700</u>	<u>86,200</u>
Net Eligible Expenditures	<u>67,900</u>	<u>73,100</u>	<u>45,000</u>	<u>8,000</u>	<u>32,400</u>	<u>226,400</u>
Retained Revenue	<u>1,000</u>	<u>-</u>	<u>700</u>	<u>-</u>	<u>-</u>	<u>1,700</u>
Total Reimbursable Expenditures	<u>68,900</u>	<u>73,100</u>	<u>45,700</u>	<u>8,000</u>	<u>32,400</u>	<u>228,100</u>
Allegheny County Contract Amount	<u>75,000</u>	<u>70,000</u>	<u>50,000</u>	<u>8,000</u>	<u>30,000</u>	<u>233,000</u>
Surplus (Deficit) of Contract Amount						
Over Total Reimbursable Expenditures	<u>\$ 6,100</u>	<u>\$ (3,100)</u>	<u>\$ 4,300</u>	<u>\$ -</u>	<u>\$ (2,400)</u>	<u>\$ 4,900</u>

XYZ, Inc.
Allegheny County DHS
Schedule of Units of Service
For The Year Ending June 30, 20XX

Behavioral Health - Mental Health
Contract # XXXXX

Cost Center	Budgeted Units of Service	Actual Units of Service (1)	Contract/ Billing Rate (2)	Gross Fee for Service Reimbursement	Other Revenue (3)	Net Fee for Service Reimbursement
<u>Outpatient</u>						
Individual Therapy	325	300	\$ 55.00	\$ 16,500	\$ -	\$ 16,500
Group Therapy	1000	950	16.00	15,200	-	15,200
Family Therapy	375	400	55.00	22,000	-	22,000
Psychiatric Evaluation	75	65	110.00	7,150	-	7,150
Clinical Evaluation	125	110	73.00	8,030	-	8,030
Medication Check	400	400	24.00	9,600	-	9,600
<i>Outpatient Total</i>	2300	2,225		78,480	5,600	\$ 72,880
<u>Intensive Case Management</u>						
FFP	800	761	12.50	9,513	5,100	4,413
Non-FFP	5700	5,602	12.50	70,025	5,100	64,925
<i>ICM Total</i>	6500	6,363		79,538	10,200	\$ 69,338
<u>Resource Coordination</u>						
FFP		-	12.00	-	-	-
Non-FFP	700	700	12.00	8,400	800	7,600
<i>RC Total</i>	700	700		\$ 8,400	800	\$ 7,600

Comments:

1. DHS will prepare the final Audit reconciliation for the fiscal year-end based upon the units submitted and accepted by eCAPS through 12/31/xx.
2. Contract/Billing rate is to agree to the applicable Work Statement by cost center and service.
3. Other revenue must agree with the figures reported on the "Schedule of Functional Expenditures..."

XYZ, Inc.
Schedule of Functional Expenditures, Revenues, Contract Amounts
Relating to Grants from Allegheny County DHS Programs
For The Year Ended June 30, 20XX

Mental Retardation Programs
Contract # XXXXX

	Mental Retardation TOTAL
<hr/>	
<u>Expenditures</u>	
Personnel Expenses	\$ 682,300
Administrative Costs	86,100
Operating Expenses	132,300
Purchased Treatment	3,300
Fixed Assets	24,600
Total Expenditures	928,600
Ineligible Expenditures	(3,500)
Gross Eligible Expenditures	925,100
<u>Revenue and Income</u>	
Program Service Fees	-
Private Insurance	-
Other Third Party Fees	-
Medical Assistance	121,350
Room and Board	-
Interest Income	6,200
Other (specify)	9,800
Total Revenue and Income	137,350
Net Eligible Expenditures	787,750
Retained Revenue	1,600
Total Reimbursable Expenditures	789,350
Allegheny County Contract Amount	789,375
Surplus (Deficit) of Contract Amount	
Over Total Reimbursable Expenditures	\$ 25

XYZ, Inc.
Schedule of Funding Sources Relating to Grants
From Allegheny County DHS Programs
For the Year Ended June 30, 20XX

Mental Retardation / DHS
Contract # XXXXX

<u>Funding Sources</u>	<u>Amount</u>
Federal funds:	
SSBG	CFDA# 93.667 \$ 548,000
State funds:	
Base Maintenance	Appr. # 10255 199,500
Other:	
County Match	41,875
	789,375
Allegheny County Contract Amount	\$ <u><u>789,375</u></u>

XYZ, Inc.
Schedule of Functional Expenditures, Revenues, Contract Amounts
Relating to Grants from Allegheny County DHS Programs
For The Year Ended June 30, 20XX

Mental Retardation Programs
Contract # XXXXX

	Supports Coordination	Family Support Services	Employment Services	Residential Services	TOTAL
<u>Expenditures</u>					
Personnel Expenses	\$ 392,000	\$ 121,900	\$ 81,100	\$ 87,300	\$ 682,300
Administrative Costs	36,600	29,100	9,800	10,600	86,100
Operating Expenses	62,000	13,500	27,300	29,500	132,300
Purchased Treatment	-	-	1,600	1,700	3,300
Fixed Assets	10,000	6,300	4,000	4,300	24,600
Total Expenditures	500,600	170,800	123,800	133,400	928,600
Ineligible Expenditures	(2,600)	-	(400)	(500)	(3,500)
Gross Eligible Expenditures	498,000	170,800	123,400	132,900	925,100
<u>Revenue and Income</u>					
Program Service Fees	-	-	-	-	-
Private Insurance	-	-	-	-	-
Other Third Party Fees	-	-	-	-	-
Medical Assistance	97,350	-	-	24,000	121,350
Room and Board	-	-	-	-	-
Interest Income	1,000	-	1,800	3,400	6,200
Other (specify)	-	-	9,800	-	9,800
Total Revenue and Income	98,350	-	11,600	27,400	137,350
Net Eligible Expenditures	399,650	170,800	111,800	105,500	787,750
Retained Revenue	-	-	-	1,600	1,600
Total Reimbursable Expenditures	399,650	170,800	111,800	107,100	789,350
Allegheny County Contract Amount	400,000	168,875	112,500	108,000	789,375
Surplus (Deficit) of Contract Amount					
Over Total Reimbursable Expenditures	\$ 350	\$ (1,925)	\$ 700	\$ 900	\$ 25

XYZ, Inc.
 Allegheny County DHS
 Schedule of Units of Service
 For The Year Ending June 30, 20XX

Behavioral Health – Mental Retardation
 Contract # XXXXX

Cost Centers / Categories	Budgeted Units of Service	Actual Units of Service	Gross Eligible Expenditures (1)	Other Revenue (1)	Net Eligible Expenditures
Supports Coordination	56,700	57,000	498,000	98,350	399,650
Family Support Services	6,800	7,000	170,800	0	170,800
Employment Services	4,400	4,300	123,400	11,600	111,800
Residential Services	2,200	2,100	132,900	27,400	105,500
GROSS ELIGIBLE EXPENDITURES			\$925,100	\$137,350	\$787,750

PROVIDER NAME: ABC PROVIDER AGENCY
 MPI NUMBER: 123456789
 PERIOD OF REPORT: 07/01/2009 TO 6/30/2010
 COST REPORT: 1 OF 1

SCHEDULE A - EXPENSE REPORT

Column Reference: A B C D E F

For these columns, expenses must be specific to the service location codes included on this Cost Report

EXPENSES BY CATEGORY		Total Provider Expenses	Excluded Service Locations and Other LOB Expenses	Base Expenses	Fee Schedule and Outcomes-Based Service Expenses	Excluded Non-Allowable Waiver Expenses	Eligible and Ineligible Expenses for Waiver Participants
1	Program Direct Care Staff Salary/Wages (Schedule D)	\$ 1,202,937	\$ 358,373	\$ 40,798	\$ 19,055	\$ 9,150	\$ 775,561
2	Program Direct Care Staff ERE (Schedule D)	\$ 289,136	\$ 74,406	\$ 10,923	\$ 4,916	\$ 2,661	\$ 196,230
3	Other Program Staff Salary/Wages (Schedule D-1)	\$ 238,282	\$ 70,711	\$ 9,306	\$ -	\$ -	\$ 158,265
4	Other Program Staff ERE (Schedule D-1)	\$ 61,496	\$ 14,056	\$ 2,643	\$ -	\$ -	\$ 44,797
5	Contracted Staff (Schedule D-2)	\$ 290,089	\$ 84,426	\$ 3,869	\$ -	\$ -	\$ 201,794
6	Administrative Staff Salary/Wages (Schedule D-3)	\$ 223,408	\$ 41,765	\$ 6,922	\$ 3,110	\$ 3,472	\$ 138,139
7	Administrative Staff ERE (Schedule D-3)	\$ 56,914	\$ 16,520	\$ 1,253	\$ 1,302	\$ 885	\$ 36,953
8	Program Supplies (Schedule F)	\$ 12,000	\$ 7,626	\$ 89	\$ -	\$ -	\$ 4,285
9	Other Vehicle Expense (Schedule E-1)	\$ 1,897	\$ 506	\$ 32	\$ -	\$ -	\$ 1,359
10	Other Program Expense (Schedule F)	\$ 245,387	\$ 124,680	\$ 6,286	\$ 1,649	\$ -	\$ 112,772
11	Transportation - Participant Motor Vehicle (Schedule E-1)	\$ 8,256	\$ -	\$ 640	\$ 1,716	\$ -	\$ 5,900
12	Transportation - Participant (Schedule 1)	\$ 69,845	\$ 19,066	\$ 1,617	\$ 2,045	\$ -	\$ 47,117
13	Other Occupancy Expense (Schedule F-1)	\$ 99,979	\$ 79,805	\$ 15	\$ 329	\$ 224	\$ 19,606
14	Depreciation - Buildings (Schedule E)	\$ 20,239	\$ 1,942	\$ 517	\$ 152	\$ 103	\$ 17,525
15	Depreciation - Fixed Assets/Equipment (Schedule E-2)	\$ 2,900	\$ 817	\$ 23	\$ 14	\$ 10	\$ 2,037
16	TOTAL EXPENSES (EXCLUDING RESIDENTIAL OCCUPANCY)	\$ 2,822,766	\$ 924,699	\$ 84,933	\$ 34,288	\$ 16,505	\$ 1,762,340

17	CONTRIBUTION/REVENUE (EXPENSE OFFSET) (Schedule B)	\$ 155,264	\$ 140,155	\$ 420	\$ 3,735	\$ 2,281	\$ 8,673
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18	EXPENSES, NET OF CONTRIBUTION/REVENUE	\$ 2,667,502	\$ 784,545	\$ 84,513	\$ 30,553	\$ 14,224	\$ 1,753,667
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CAPACITY / UNITS OF SERVICE

19	Number of Units of Service (Licensed or Staffed) Available						
20	Type of Unit (15 Min., Daily, etc.)						
21	Total Number of Units of Service Provided						
22	Cost Per Unit of Service Available (Line 18 / Line 19)						
23	Cost Per Unit of Service Provided (Line 18 / Line 21)						

RESIDENTIAL OCCUPANCY

24	Residential Occupancy (Schedule J)	\$ 224,633	\$ 23,062				\$ 201,571
25	cost Per Unit of Service Available (Line 24 / Line 19)						

26	Total Expense (Line 16 + Line 24)	\$ 3,047,399	\$ 947,761	\$ 84,933	\$ 34,288	\$ 16,505	\$ 1,963,911
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PROVIDER NAME: ABC PROVIDER AGENCY
 MPI NUMBER: 123456789
 PERIOD OF REPORT: 07/01/2009 TO 6/30/2010
 COST REPORT: 1 OF 1

SCHEDULE B - INCOME STATEMENT

		A	B	C
		Total Provider Revenue/Expense	Total Waiver Eligible and Ineligible Revenue/Expense	Total Waiver Eligible and Ineligible Revenue/Expense for Service Locations Included in the Cost Report
REVENUES / CONTRIBUTIONS				
1	Commonwealth of Pennsylvania:			
	1a. Waiver Revenue for Waiver Eligible Services	\$ 1,727,751	\$ 1,727,751	\$ 1,727,751
	1b. Waiver Revenue for Waiver Ineligible Service	\$ 85,641	\$ 85,641	\$ 85,641
	1c. Waiver Revenue for Fee Schedule and Outcomes-based Services	\$ 58,282	\$ 58,282	\$ 58,282
	1d. Other Revenue (includes Supports Coordination, AWC and other Commonwealth programs)			
2	County	\$ 628,992		
3	Private Clients	\$ 75,064		
4	United Way (service fees only)			
5	Commercial Sales/contract Sales Revenue			
6	Participant Contribution to Residential Occupancy	\$ 135,727	\$ 130,635	\$ 130,635
7	Investment Income	\$ 5,838	\$ 3,352	\$ 3,352
8	Other (Attach explanation in Comments tab if Other Revenue is greater than 5% of total revenue)	\$ 10,093		
9	United Way Contributions			
	9a. Contributions not Restricted/Appropriated			
	9b. Contributions Restricted/Appropriated	\$ 67,457		
10	Other Contributions:			
	Contributions not Restricted/Appropriated (please list below and describe on Comments Page):			
	10a. Contribution 1 (see comments page)	\$ 3,293	\$ 2,068	\$ 2,068
	10b. Contribution 2 (see comments page)	\$ 2,513	\$ 1,088	\$ 1,088
	10c. Contribution 3 (see comments page)	\$ 3,447	\$ 2,165	\$ 2,165
	Contributions Restricted/Appropriated (please list below and describe on Comments Page):			
	10d. Contribution 4 (see comments page)	\$ 72,256		
	10e. Contribution 5 (see comments page)	\$ 6,773		
	10f. Contribution 6 (see comments page)	\$ 39,552		
11	Government Grants (please list below and describe on Comments Page):			
	11a. Grant 1 (see comments page)	\$ 89,754		
	11b. Grant 2 (see comments page)	\$ 9,540		
	11c. Grant 3 (see comments page)	\$ 30,786		
12	Total Revenue	\$ 3,052,759	\$ 2,010,982	\$ 2,010,982
EXPENSES				
13	Total Expenses (from Schedule A)	\$ 3,047,399	\$ 1,998,199	\$ 1,998,199
14	NET INCOME / (LOSS)	\$ 5,360	\$ 12,783	\$ 12,783
15	Beginning Equity or Fund Balance	\$ 1,781,636	\$ 1,184,788	\$ 1,184,788
16	Ending Equity of Fund Balance (Line 14 + Line 15)	\$ 1,786,996	\$ 1,197,571	\$ 1,197,571
17	TOTAL CONTRIBUTION/REVENUE (EXPENSE OFFSET) (LINES 7 + 8 + 9a + 10a + 10b + 10c + 11a + 11b + 11c)	\$ 155,264	\$ 8,673	\$ 8,673



Sample

provider reconciliation

ABC Provider, Inc.
Reconciliation - Audit to cost Report
6/30/2010

Revenue

Amount per Cost Report	\$1,320,000
Additional county money accrued	7,000
Amount per AFS	<u>\$1,327,000</u>

Expenses

Amount per Cost Report	\$1,341,000
Depreciation differences (see note)	8,000
Other differences*	1,000
Amount per AFS	<u>\$1,332,000</u>

Note: The amount recorded in the cost report includes \$8,000 of use allowances that are not allowable for GAAP purposes. *Other differences are due to timing of accrued paid time off and rounding.

Examples of AFS Supplemental Schedules

Example #1: Waiver LOB Supplemental Schedule

ABC Provider Agency

YEAR ENDED JUNE 30, 2016

OFFICE OF DEVELOPMENTAL PROGRAMS SUPPLEMENTAL SCHEDULESCHEDULE A – EXPENSE REPORT

	Excluded Non- Allowable Waiver Expenses	Eligible Expenses for Waiver Participants
EXPENSES BY CATEGORY		
Program Direct Care Staff Salary/Wages	\$18,552	\$ 1,399,485
Program Direct Care Staff ERE	5,406	354,785
Other Program Staff Salary/Wages	0	292,301
Other Program Staff ERE	0	82,736
Contracted Staff	0	403,786
Administrative Staff Salary/Wages	7,142	254,614
Administrative Staff ERE	1,818	68,023
Program Supplies	0	864
Other Vehicle Expense	281	1,755
Other Program Expense	1,755	204,830
Transportation - Participant Motor Vehicle	0	11,803
Transportation – Participant	0	94,280
Other Occupancy Expense	70	29,259
Depreciation – Buildings	208	10,623
Depreciation - Fixed Assets/Equipment	<u>19</u>	<u>1,028</u>
TOTAL EXPENSES	\$34,970	\$3,208,697
CONTRIBUTIONS/REVENUE	<u>5,764</u>	<u>21,919</u>
Expenses Net of Contributions/Revenue	\$29,207	\$ 3,186,778

Example #2: Reconciliation between AFS and Cost Report Supplemental Schedule

ABC Provider Agency
YEAR ENDED JUNE 30, 2016

OFFICE OF DEVELOPMENTAL PROGRAMS SUPPLEMENTAL SCHEDULE
RECONCILIATION - AUDIT TO COST REPORT

	<u>Per Audit</u>	<u>Per Cost Report</u>	
	Eligible Expenses Waiver Participants	Eligible Expense Waiver Participants	Difference
EXPENSES BY CATEGORY			
Program Direct Care Staff Salary/Wages	\$ 1,399,485	\$ 1,399,485	\$ 0
Program Direct Care Staff ERE	354,785	354,785	0
Other Program Staff Salary/Wages	292,301	292,301	0
Other Program Staff ERE	82,736	82,736	0
Contracted Staff	403,786	403,786	0
Administrative Staff Salary/Wages	254,614	254,614	0
Administrative Staff ERE	68,023	68,023	0
Program Supplies	864	864	0
Other Vehicle Expense	256	281	(25)
Other Program Expense	204,830	204,830	0
Transportation - Participant Motor Vehicle	11,618	11,803	(185)
Transportation – Participant	94,280	94,280	0
Other Occupancy Expense	29,259	29,259	0
Depreciation – Buildings	9,676	10,623	(948)
Depreciation - Fixed Assets/Equipment	806	1,028	(222)
TOTAL EXPENSES	<u>\$3,207,317</u>	<u>\$3,208,697</u>	<u>\$ (1,380)</u>
CONTRIBUTIONS/REVENUE	<u>21,919</u>	<u>21,919</u>	<u>0</u>
Expenses Net of Contributions/Revenue	\$3,185,398	\$ 3,186,778	\$ (1,380)
Total Revenue	\$3,413,939	\$ 3,413,939	\$ 0

Difference due to use allowance expense on Cost Report

Example #3: Reconciliation between SEFA and Revenue Confirmation Reply

Year Ended June 30, 2016

OFFICE OF DEVELOPMENTAL PROGRAMS SUPPLEMENTAL SCHEDULE

RECONCILIATION

Federal Awards Passed through the Pennsylvania Department of Human Services
Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply

(A)	(B)	(C)	(D)	(E)	(F)	(G)
CFDA Name	CFDA Number	Federal Expenditures per the SEFA	Federal Awards Received per the Audit Confirmation Reply from Pennsylvania	Difference % (C-D)	Difference (E/D)	Detailed Explanation of the Differences
Medical Assistance Program	93.778	\$ 9,864,727	\$ 8,539,468	\$ 1,325,259	15.52%	\$452,049 represents a timing difference; \$873,210 represents vendor-type services erroneously included in the SEFA
Special Education - Grants for Infants and Families	84.181	\$ 113,162	\$ 0	\$ 113,162	100.00%	Vendor-type payments erroneously included on the SEFA

XYZ, Inc.
Schedule of Funding Source Relating to Grants
From Allegheny County DHS Programs
For the Year Ended June 30, 20XX

CYF
Contract # XXXXX

<u>Funding Sources</u>	<u>Total Amount</u>
Federal funds:	
TANF	CFDA# 93.558 \$ 181,300
IV-E	CFDA# 99.658 1,900,000
State funds:	
Act 148	337,100
Other:	
County Match	24,200
	<hr/>
Allegheny County Contract Amount	\$ <u><u>2,442,600</u></u>

Comments:

1. The above funding sources are not all inclusive and should include Juvenile Court funded services, if applicable.
2. Total must agree or be reconciled with the Allegheny County DHS CYF - Funding Source Confirmation.

XYZ, Inc.
Schedule of Functional Expenditures, Revenues, Contract Amounts
Relating to Grants from Allegheny County DHS Programs
For The Year Ended June 30, 20XX

CYF Programs
Contract # XXXXX

	Foster Homes	Emergency Shelter	Family Preservation	Family Support	Group Homes	TOTAL
Expenditures						
Personnel Expenses	\$1,118,000	\$50,800	\$17,800	\$29,200	\$10,800	\$1,226,600
Administrative Costs	174,000	9,900	4,000	7,900	2,000	197,800
Operating Expenses	906,100	9,600	5,000	4,400	3,300	928,400
Purchased Treatment	23,000	56,000	-	-	-	79,000
Fixed Assets	3,500	1,400	1,000	900	300	7,100
Total Expenditures	2,224,600	127,700	27,800	42,400	16,400	2,438,900
Ineligible Expenditures						-
Gross Eligible Expenditures	2,224,600	127,700	27,800	42,400	16,400	2,438,900
Revenue and Income						
Program Service Fees						-
Private Insurance						-
Other Third Party Fees						-
Medical Assistance						-
Room and Board						-
Interest Income	-	-	-	300	-	300
Other (specify)						-
Total Revenue and Income	-	-	-	300	-	300
Net Eligible Expenditures	2,224,600	127,700	27,800	42,100	16,400	2,438,600
Retained Revenue	N/A	N/A	N/A	N/A	N/A	N/A
Total Reimbursable Expenditures	2,224,600	127,700	27,800	42,100	16,400	2,438,600
Allegheny County Contract Amount	2,225,000	132,000	28,000	42,100	15,500	2,442,600
Surplus (Deficit) of Contract Amount						
Over Total Reimbursable Expenditures	\$ 400	\$ 4,300	\$ 200	\$ -	\$ (900)	\$ 4,000

XYZ, Inc.
Schedule of Detailed Functional Expenditures
Relating to Allegheny County CYF Programs
For The Year Ended June 30, 20XX

CYF
Contract # XXXXX

	Foster Homes	Emergency Shelter	Family Preservation	Family Support	Group Homes	TOTAL
Personnel Expenses						
Wages & Salaries	\$ 900,000	\$ 43,200	\$ 15,100	\$ 23,700	\$ 8,900	\$ 990,900
Employee Benefits	180,000	6,700	2,200	3,900	1,300	194,100
Staff Development	36,000	800	500	1,500	600	39,400
Recruitment	2,000	100	-	100	-	2,200
Total Personnel	<u>1,118,000</u>	<u>50,800</u>	<u>17,800</u>	<u>29,200</u>	<u>10,800</u>	<u>1,226,600</u>
Administrative Costs	174,000	9,900	4,000	7,900	2,000	197,800
Operating Expenses						
Rent	22,000	4,100	1,500	2,100	1,100	30,800
Repairs	2,600	300	100	200	300	3,500
Utilities	1,100	400	200	100	100	1,900
Supplies	1,600	200	100	100	100	2,100
Communications	3,000	500	300	200	100	4,100
Travel	4,600	600	200	-	-	5,400
Equipment Rental	1,800	400	500	200	200	3,100
Equipment Repair	2,100	300	200	100	100	2,800
Equipment Misc	1,200	400	300	200	200	2,300
Vehicle	5,100	900	700	600	500	7,800
Library	900	700	500	300	300	2,700
Insurance & Bonding	4,400	400	300	200	200	5,500
Foster Parent Payments	850,000	-	-	-	-	850,000
Membership Fees	800	100	100	100	100	1,200
Other (Specify)	4,900	300	-	-	-	5,200
Total Operating Expenses	<u>906,100</u>	<u>9,600</u>	<u>5,000</u>	<u>4,400</u>	<u>3,300</u>	<u>928,400</u>
Purchased Treatment/Services	23,000	56,000	-	-	-	79,000
Fixed Assets	<u>3,500</u>	<u>1,400</u>	<u>1,000</u>	<u>900</u>	<u>300</u>	<u>7,100</u>
TOTAL EXPENDITURES	<u>\$ 2,224,600</u>	<u>\$ 127,700</u>	<u>\$ 27,800</u>	<u>\$ 42,400</u>	<u>\$ 16,400</u>	<u>\$ 2,438,900</u>

XYZ, Inc.
Allegheny County DHS
Schedule of Units of Service
For The Year Ending June 30, 20XX

CYF
Contract # XXXXX

Cost Center	Contract Rate Reimbursement						Actual Rate Analysis	
	Budgeted Units of Service	Actual Units of Service	Contract Billing Rate	Unit Reimbursement	Add: Concrete Goods	Total Reimbursable Amount (1)	Gross Eligible Expenditures (2)	Actual Gross Rate (3)
Foster Homes								
Level 1	23,250	23,200	\$ 40.00	\$ 928,000	N/A	\$ 928,000	\$ 930,000	\$ 40.09
Level 2	12,000	12,100	\$ 45.00	544,500	N/A	544,500	543,000	\$ 44.88
Level 3	8,500	8,450	\$ 50.00	422,500	N/A	422,500	421,500	\$ 49.88
Level 4	5,500	5,500	\$ 60.00	330,000	N/A	330,000	330,100	\$ 60.02
Total	49,250	49,250		\$ 2,225,000		\$ 2,225,000	\$ 2,224,600	
Emergency Shelter	1,150	1,100	\$ 120.00	\$ 132,000	N/A	\$ 132,000	\$ 127,700	\$ 116.09
Family Preservation	600	520	\$ 50.00	\$ 26,000	\$ 2,000	\$ 28,000	\$ 27,800	\$ 53.46
Family Support	600	550	N/A	\$ 42,100 (4)	N/A	\$ 42,100	\$ 42,400	\$ 77.09
Group Homes								
Level 1	25	20	\$ 140.00	\$ 2,800	N/A	\$ 2,800	\$ 3,000	\$ 150.00
Level 2	75	74	\$ 150.00	11,100	N/A	11,100	11,700	\$ 158.11
Level 3	12	10	\$ 160.00	1,600	N/A	1,600	1,700	\$ 170.00
Total	112	104		\$ 15,500		\$ 15,500	\$ 16,400	
Grand Totals				<u>\$ 2,440,600</u>	<u>\$ 2,000</u>	<u>\$ 2,442,600</u>	<u>\$ 2,438,900</u>	

Comments:

The above cost centers are not all inclusive and should include and identify Juvenile Court related services, if applicable.

Note 1: Allegheny County payments may be limited to final contract amount.

Note 2: Gross Eligible Expenditures must agree with the amounts reported on the "Schedule of Functional Expenditures, Revenues, Contract Amounts Relating to Grants from Allegheny County DHS Programs" by cost center.

Note 3: Gross Eligible Expenditures/Actual Units (Informational factor for financial management and future rate negotiations.)

Note 4: Program funded cost center - Dollar amount from Schedule of Functional Expenditures, Revenues, Contract Amounts Relating to Grants from Allegheny County DHS Programs

XYZ, Inc.
Allegheny County DHS
CYF - Schedule of Utilization of Residential/Institutional Services
For The Year Ending June 30, 20XX

CYF
Contract # XXXXX

Cost Centers	License/ Approved # of Beds	Annual Capacity (#Beds x 365)	Actual Days Provided (1)	Utilization Rate
Foster Homes	N/A		-	
Emergency Shelter	4	\$ 1,460	1,100	75%
Group Homes	2	\$ 730	104	14%

Comments:

The above cost centers are not all inclusive and should include and identify Juvenile Court funded services, if applicable.

Note 1: If the facility provides both Allegheny County and non-Allegheny County child days, use total facility child days provided.

XYZ, Inc.
Statement of Functional Revenue and Expenditures By Program Services
Allegheny County Aging Program

Year Ended June 30, 20X2
With Comparative Totals for 20X1

PROGRAM SERVICES	CENTER SERVICES	HDM	CARE MGMT.	PAS	ADULT DAY CARE	TOTAL	LOCAL NON-RESTRICT.	20X2 TOTAL Operating FUNDS	20X1 TOTAL Operating FUNDS
Revenue:									
Donations:									
Individuals	\$ 10,000	\$ 5,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ 12,500
Foundations	-	-	-	-	-	-	50,000	50,000	48,500
Corporations	-	-	-	-	5,000	5,000	30,000	35,000	35,000
Sub-Total	10,000	5,000	0	0	5,000	20,000	80,000	100,000	96,000
Allegheny Aging/Block Grant Allegheny Co./DHS/HSDf	250,000	35,000	359,000	269,775	68,000	981,775	-	981,775	967,250
United Way	50,000	-	-	-	-	50,000	-	50,000	45,000
Program Income/Aging Fees/Aging/Block	68,000	41,000	4,000	-	7,000	120,000	-	120,000	115,000
Interest	-	-	-	-	-	-	-	-	7,000
Fund Raising	3,550	1,830	1,150	350	300	7,180	500	7,330	7,500
Sub-Total	-	-	-	-	-	-	35,000	35,000	40,000
Sub-Total	371,550	77,830	364,150	270,125	75,300	1,158,955	35,500	1,194,105	1,186,750
Total Operating Funds	381,550	82,830	364,150	270,125	80,300	1,178,955	115,500	1,294,105	1,282,750
Expenses:									
Personnel	325,395	48,900	314,210	244,260	64,650	997,415	48,380	1,045,795	1,034,270
Administrative Costs	23,700	12,000	20,000	14,000	9,400	79,100	-	79,100	78,500
Operating Expenses	27,930	18,350	27,365	21,205	6,300	101,150	41,220	142,370	134,810
Contracted Services	15,175	11,450	20,425	11,112	5,300	63,462	25,900	89,362	86,670
Fixed Assets	10,000	1,655	14,175	-	945	26,775	4,725	31,500	20,458
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Expenses	402,200	92,355	396,175	290,577	86,595	1,267,902	120,225	1,388,127	1,354,708
Income Over (Under) Expenses Operating	\$ (20,650)	\$ (9,525)	\$ (32,025)	\$ (20,452)	\$ (6,295)	\$ (88,947)	\$ (4,725)	\$ (94,022)	\$ (71,958)

XYZ, Inc.
Statement of Functional Expenses
Aging Program Relating to Grants Administered by
Allegheny County
Year Ended June 30 20X2
With Comparative Totals for 20X1

PROGRAM SERVICES	CENTER SERVICES	HDM	CARE MGMT.	PAS	ADULT DAY CARE	TOTAL	LOCAL NON-RESTRICT.	20X1 TOTAL ALL FUNDS	20X2 TOTAL ALL FUNDS	Percent Variance ***
Personnel:										
Salaries	\$ 275,000	\$ 41,500	\$ 266,600	\$ 207,000	\$ 54,900	\$ 845,000	\$ 41,000	\$ 886,000	\$ 876,500	1%
Fringe Benefits	50,395	7,400	47,610	37,260	9,750	152,415	7,380	159,795	157,770	1%
Subtotal	325,395	48,900	314,210	244,260	64,650	997,415	48,380	1,045,795	1,034,270	
Communications:										
Telephone	8,000	3,500	5,670	1,250	675	19,095	2,225	21,320	20,750	3%
Postage	1,750	750	1,850	250	525	5,125	1,225	6,350	6,150	3%
Printing	1,025	450	1,500		125	3,100	850	3,950	3,200	19%
Advertising	750	250	200	350	500	2,050	1,500	3,550	2,850	20%
Subtotal	11,525	4,950	9,220	1,850	1,825	29,370	5,800	35,170	32,950	
Occupancy:										
Utilities	9,500	2,400	8,500	7,500	2,400	30,300	3,500	33,800	31,200	8%
Insurance	1,500	500	1,250	750	550	4,550	750	5,300	4,700	11%
Maintenance/Repairs	1,750	550	650	350	150	3,450	5,000	8,450	8,840	-5%
Subtotal	12,750	3,450	10,400	8,600	3,100	38,300	9,250	47,550	44,740	
Contracted Services:										
Professional Service	10,500	6,100	17,250	9,062	775	43,687	15,775	59,462	55,000	8%
Auditing	1,500	500	1,250	1,100	500	4,850	750	5,600	5,200	7%
Supplies & Minor	500	100	350	250	150	1,350	1,375	2,725	2,525	7%
Office Supplies	1,750	750	1,225	550	350	4,625	2,500	7,125	6,025	15%
Food & Supplies	-	3,500	-	-	3,250	6,750	750	7,500	7,120	5%
Minor Equipment	550	350	350	150	125	1,525	1,250	2,775	3,275	-18%
Equipment Repairs	375	150	-	-	150	675	3,500	4,175	7,525	-80%
Subtotal	15,175	11,450	20,425	11,112	5,300	63,462	25,900	89,362	86,670	
Transportation:										
Local	1,150	8,675	4,750	8,250	250	23,075	1,500	24,575	21,665	12%
Out-of-County	150	100	850	650	-	1,750	2,500	4,250	4,100	4%
Subtotal	1,300	8,775	5,600	8,900	250	24,825	4,000	28,825	25,765	
Other Operating:										
Administrative Costs	23,700	12,000	20,000	14,000	9,400	79,100	-	79,100	78,500	1%
Memberships	125	50	125	100	50	450	175	625	750	-20%
Subscription	225	150	220	225	125	945	220	1,165	1,125	3%
Training	750	375	650	660	325	2,760	3,500	6,260	5,500	12%
Miscellaneous	805	400	750	670	250	2,875	8,275	11,150	9,825	12%
Fundraising	450	200	400	200	375	1,625	10,000	11,625	14,155	-22%
Subtotal	26,055	13,175	22,145	15,855	10,525	87,755	22,170	109,925	109,855	
Total Expenses-Operat. Funds	392,200	90,700	382,000	290,577	85,650	1,241,127	115,500	1,356,627	1,334,250	2%
Depreciations	6,800	1,155	9,675	-	645	18,275	3,225	21,500	20,458	5%
Renovations	3,200	500	4,500	-	300	8,500	1,500	10,000	-	100%
Total Expenses	\$ 402,200	\$ 92,355	\$ 396,175	\$ 290,577	\$ 86,595	\$ 1,267,902	\$ 120,225	\$ 1,388,127	\$ 1,354,708	2%

*** Investigate any variances greater than 10%

XYZ, Inc.
Final Reconciliation
Allegheny County
For the Year Ended June 30 20XX

Aging
Contract # XXXXX

Cost Centers	AMOUNT PAID	TOTAL NET* EXPEND. 6/30/20XX	BALANCE REMAINING	EARNED INTEREST 6/30/20XX
Center Services	\$ 250,000	\$ 270,650	\$ (20,650)	\$ 750
Home Delivered Meals	35,000	44,525	(9,525)	150
Care Management	359,000	391,025	(32,025)	900
PAS	269,775	290,227	(20,452)	
Adult Day Care	68,000	74,295	(6,295)	
Total Expenditures	\$ 981,775	\$ 1,070,722	\$ (88,947)	\$ 1,800

* Gross Eligible Expenditures less Total Revenues and Income from Schedule of Functional Revenue and Expenditures by Program Services

XYZ, Inc.
Cost Center Service Code Distributions
Allegheny County
For the Year Ended June 30, 20XX

Aging
Contract # XXXXX

Expense Categories COST CENTER	Primetime 250	Care Mgmt. 300	Info. Referr. 320	Outreach 330	Prot. Svc. 350	Volunteer 380	Cong. Meal 400	Home delivery 520	PAS 570	Adult Day Care 610	TOTAL
Center Services (5)	\$95,000		\$45,000	\$23,700		\$30,000	\$90,000				\$ 283,700
Home Delivered Meals (1)								48,655			48,655
Care Management (8)		339,000			54,175						393,175
PAS (1)									283,577		283,577
Adult Day Care (1)										78,095	78,095
Total Expenditures	\$95,000	\$339,000	\$45,000	\$23,700	\$54,175	\$30,000	\$90,000	\$48,655	\$283,577	\$78,095	<u>\$ 1,087,202</u>

() number of services

XYZ, Inc.
Interest Roll Forward
Allegheny County
For the Year Ended June 30, 20X2

Aging
Contract # XXXXX

PROGRAM INCOME/ABG	END BALANCE 6/30/20X1	EARNED INTEREST 7/1/X0-6/30/X1	BEGINNING BALANCE 7/1/20X1	COLLECTED 7/1/X1-6/30/X2	DISBURSED 7/1/X1-6/30/X2	EARNED INTEREST 7/1/X1-6/30/X2	ENDING BALANCE 6/30/20X2
Center Services	\$14,400	\$900	\$15,300	\$17,000	\$15,000	\$1,400	\$18,700
Home Delivered Meals	37,500	1,500	39,000	41,000	39,000	1,930	42,930
Care Management	2850	200	3,050	4,000	3,000	450	4,500
PAS	43,200	1,800	45,000	51,000	45,000	3,050	54,050
Adult Day Care	4,750	250	5,000	7,000	5,000	500	7,500
Fees:			0				
PAS (N/A for FY 01/02)	6,700	300	7,000	0	7,000	0	0
Total	\$ 109,400	\$ 4,950	\$ 114,350	\$ 120,000	\$ 114,000	\$ 7,330	<u>\$ 127,680</u>

XYZ, Inc.
Schedule of Funding Sources Relating to Grants
From Allegheny County DHS Programs
For the Year Ended June 30, 20XX

Early Intervention / DHS
Contract # XXXXX

<u>Funding Sources</u>	<u>Amount</u>
Federal funds:	
EI Infant & Toddlers	CFDA# 84.181 \$ 10,400
State funds:	
EI Base	Appr. # 10235 36,400
Other:	
County Match	5,200
Allegheny County Contract Amount	\$ <u>52,000</u>

XYZ, Inc.
Schedule of Functional Expenditures, Revenues, Contract Amounts
Relating to Grants from Allegheny County DHS Programs
For The Year Ended June 30, 20XX

Early Intervention Programs
Contract # XXXXX

	Early Intervention
<hr/>	
<u>Expenditures</u>	
Personnel Expenses	\$ 39,300
Administrative Costs	3,500
Operating Expenses	5,500
Purchased Treatment	2,000
Fixed Assets	1,700
Total Expenditures	52,000
Ineligible Expenditures	
Gross Eligible Expenditures	52,000
<u>Revenue and Income</u>	
Program Service Fees	-
Private Insurance	-
Other Third Party Fees	-
Medical Assistance	-
Room and Board	-
Interest Income	-
Other (specify)	-
Total Revenue and Income	-
Net Eligible Expenditures	52,000
Retained Revenue	-
Total Reimbursable Expenditures	52,000
Allegheny County Contract Amount	52,000
Surplus (Deficit) of Contract Amount	
Over Total Reimbursable Expenditures	\$ -

XYZ, Inc.
 Allegheny County DHS
 Schedule of Units of Service
 For The Year Ending June 30,20XX

Early Intervention
 Contract # XXXXX

Cost Centers / Categories	Actual Units of Service	Contract Billing Rate	Gross Eligible Expenditures (1)	Other Revenue (1)	Net Eligible Expenditures
Audiology--Home & Community	880	\$ 25.00	22,000	0	22,000
Nutrition--Home & Community	1,500	\$ 20.00	30,000	0	30,000
GROSS ELIGIBLE EXPENDITURES			\$52,000	\$0	\$52,000

Comments:

1. Gross eligible expenditures and other revenue must agree with the figures reported on the "Schedule of Functional Expenditures..."

Appendix B

Sources of Reference

The following is a list of references, which provide additional guidance:

- OMB Uniform Guidance for Federal Awards, “Cost Principles, Audit and Administrative requirements for Federal Awards,” December 2014
- OMB Uniform Guidance for Federal Awards Compliance Supplement, June 2016
- U.S. General Accounting Office (GAO) *Generally Accepted Government Auditing Standards* (Yellow Book)
- Single Audit Act Amendments of 1996
- AICPA Pronouncements:
- SOP 98-3, “Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards”
- SAS No. 29 (AU 551), “Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents”
- SAS No. 54 (AU 317), “Illegal Acts by Clients”
- SAS No.115 (AU 325), “Communicating Internal Control Related Matters Identified in an Audit”
- SAS No. 70, “Examinations of EBT Service Organizations” (type 2 report)
- SAS No. 99 (AU 316), “Consideration of Fraud in a Financial Statement Audit”
 - AICPA Audit and Accounting Guide, Audits of Certain Nonprofit Organizations (ACNO)
 - Commonwealth of Pennsylvania DHS Single Audit Supplement and the 4300 Fiscal Regulation
 - Pennsylvania Department of Health, Department of Drug and Alcohol Fiscal Regulations and Audit Guidelines
 - Pennsylvania Department of Human Services Administrative Bulletin 2015-03, Introduction to DHS Audit Policy, December 26, 2014
 - PCIE Guidance
 - Pennsylvania Department of Aging Audit Guidelines
 - U.S. Department of HUD Audit Guidelines
 - Commonwealth of Pennsylvania DHS, Office of Homeless Assistance Program Instructions and Requirements
 - PennSERVE Office’s AmeriCorps Provisions and Program Director’s Handbook
 - Pennsylvania Department of Labor and Industry’s Workforce Investment Act Technical Assistance Guide
 - Commonwealth of Pennsylvania DHS’s Human Services Development Fund Instructions and Requirements

Appendix C

Allegheny County DHS Bureau of Contracts and Compliance Section - Contact Listing

For technical assistance relating to this manual

<u>Compliance Section Contact</u>	<u>Telephone</u>
Compliance Manager Bureau of Contracts and Compliance	412-350-3431
Compliance Supervisor Bureau of Contracts and Compliance	412-350-4288
Compliance Supervisor Bureau of Contracts and Compliance	412-350-3429

Appendix D

Sample Request for Proposal

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ALLEGHENY COUNTY AUDIT GUIDANCE

1. The Allegheny County DHS Provider Audit Guidelines is a required contractual reference.
2. Annually, all Allegheny County providers and their respective Auditors of Record are to review the updated audit guidelines and all other relevant materials.

Appendix D

Sample Request for Proposal

[Name of Agency]

Request for Proposal to Conduct the Financial and Compliance Audit

[Of the Agency]

[Name of the Program]

Appendix D

Sample Request for Proposal General Instructions

I. GENERAL INSTRUCTIONS

A. Notice of Invitation

The executive director invites your firm to submit a proposal to conduct the annual audit of the [name of the separate programs] for the period of July 1, 20XX through June 30, 20XX. The audit is to be conducted in the form of a financial and compliance audit in accordance with generally accepted auditing standards as prescribed by the AICPA, GAGAS as prescribed by the United States GAO latest revision, the requirements of the Commonwealth of Pennsylvania and Allegheny County DHS. Section B of this request for proposal explains the scope of work that your firm is asked to bid upon.

B. Proposal Submission

You should submit a detailed proposal on or before Friday, ____ (date) ____, 200(X). The proposal should be mailed or delivered to: (agency executive director's name and address).

The proposal cover letter should designate an official, with telephone number, who can answer questions concerning the submitted proposal. The proposal cover letter, the technical sections, and the fee section of the audit proposal must be signed by an officer empowered to bind the company submitting the proposal.

C. Proposal Format

Three copies of the proposal must be submitted using the format outlined in Section C proposal document instructions. The method used to calculate the fee proposal **must** be provided as outlined and must be submitted under a separate cover, one copy, and in a **sealed** envelope.

D. Pre-Proposal Meeting

A formal pre-proposal meeting is planned for ____ (day) ____, ____ (date) ____, at (time) ____, in the conference room of (agency's name).

E. Contract Terms

Please submit your proposal on a fixed fee basis in a sealed envelope.

Appendix D

Sample Request for Proposal General Instructions

I. GENERAL INSTRUCTIONS (continued)

F. Schedule of Key Dates

- ___ (day), ___ (date) Submit proposal. (The agency should give the audit firm at least two weeks from the pre-proposal meeting to submit the proposal).
- ___ (day), ___ (date) Selection of a firm. (The selection of the firm should be done within one to two weeks following the receipt of proposals).
- ___ (day), ___ (date) Commencement of Preliminary Audit work prior to year-end closing. (This preliminary work should begin prior to the agency's year-end closing).
- ___ (day), ___ (date) Commencement of Audit for (fiscal year). (This usually starts by mid-July following the year-end closing).
- ___ (day), ___ (date) Submit to the executive director, a draft copy of audit report for (fiscal year). (The draft report should be received by the executive director **at least** two weeks prior to submission to Allegheny County DHS. This will also give the agency time to prepare a CAP for every finding in the audit report. The CAP is required to be submitted with the audit report).
- ___ (day), ___ (date) Submit final approved audit report to Allegheny County DHS. (The deadline for submission of all audit reports is January **15**).

Appendix D

Sample Request for Proposal Scope of Work

II. SCOPE OF WORK

A. Audit Program

The audit guidelines and single audit supplement, latest revision, provided by the Commonwealth of Pennsylvania DHS in Exhibit II outline the recommended audit approach and applicable legislation. The audit guidelines and format provided by Allegheny County DHS in Exhibit III outlines the required report and financial statements to be submitted at the conclusion of the audit. This agency expects that the scope of the work will be such as to produce acceptable results in compliance with all the above requirements.

The audit will be a financial and compliance audit performed in accordance with:

- Generally accepted auditing standards as issued by the AICPA.
- Standards for Audit of Governmental Organizations, Programs, Activities, and Functions as issued by the Comptroller General of the United States most recent revision.
- The Single Audit Act Amendments of 1996 and the provision of OMB Uniform Guidance for Federal Awards: Cost Principles, Audit and Administrative Requirements for Federal Awards, and as issued by the Commonwealth of Pennsylvania DHS Single Audit Supplement most recent version.

B. Agency Participation

The agency will provide workspace for the selected firm and will also provide a member of the agency for clerical-type duties.

C. Results

The firm, upon completion of the audit, will be expected to submit to the executive director the following information:

- A report on financial statements to include at a minimum: Statement of Activities, Statement of Changes in Fund Balance, Statement of Cash Flows, Notes to the Financial Statements and Statement of Functional Expenses.

Appendix D

Sample Request for Proposal Scope of Work

- Reports on compliance as required by the AICPA and federal government including a Schedule of Findings and Questioned Costs, Report on Compliance with Specific Requirements Major and Non-Major Programs, Report on Compliance with Contracts, Laws, Grants, Regulations, Schedule of Findings and Questioned Costs.
- Reports of internal accounting and administrative control as required by the AICPA and federal government.
- A Management Letter, where issued, discussing weaknesses noted during the course of the audit and recommendations for improvement.
- AUP and supplementary schedules as required by Allegheny County DHS.
- Any further information considered to be necessary in evaluating the agency and in compliance with the Provider Audit Guidelines.

D. Audit Report

A final copy of the **full audit report** will be sent to the executive director of the agency. Upon his/her written approval, a copy of the audit report will be sent to:

Mr. Darnell Moses, Administrator
Allegheny County Department of Human Services
Bureau of Contracts and Compliance
One Smithfield Street, Suite 300
Pittsburgh, Pennsylvania 15222

E. Designation of Project Officer

The (Name of Agency) representative designated as the project officer for this contract is (Agency Fiscal Director's Name). The responsibility of the project officer is to assure that the auditors are provided with the necessary access to records and personnel. This individual is assigned the right to review and respond to all-work products.

Appendix D

Sample Request for Proposal Scope of Work

F. References

The following is a list of references with which personnel responsible for the engagement must be familiar:

- AICPA Industry Audit Guidance
- Commonwealth of Pennsylvania DHS Single Audit Supplement and the 4300 Fiscal Regulations
- Pennsylvania Department of Agriculture Hunger Program Resolutions
- Pennsylvania Department of Health, Department of Drug and Alcohol Programs (DDAP) Fiscal Regulations and Audit Guidelines
- *U.S. Government Accountability Office (GAO) Generally Accepted Government Auditing Standards (Yellow Book)*
- PCIE Guidance
- Single Audit Act Amendments of 1996
- OMB Uniform Guidance for Federal Awards: Cost Principles, Audit, and Administrative Requirements for Federal Awards, as amended, December 2014.
- OMB Uniform Guidance for Federal Awards Compliance Supplement, June 2016
- Pennsylvania Department of Aging Audit Guidelines
- U.S. Department of HUD Audit Guidelines
- Commonwealth of Pennsylvania DHS, Office of Income Maintenance, Homeless Assistance Program Instructions and Requirements
- PennSERVE Office's AmeriCorps Provisions and Program Director's Handbook
- Pennsylvania Department of Labor and Industry's Workforce Investment Act Technical Assistance Guide
- Commonwealth of Pennsylvania DHS's Human Services Development Fund Instructions and Requirements

Appendix D

Sample Request for Proposal Proposal Document Instruction

III. PROPOSAL DOCUMENT INSTRUCTION

Proposals must include the following:

A. Cover Letter:

The cover letter must include:

- The name, address, and phone number of the bidder’s contact person.
- The name and address of the firm.
- The period of time for which the offer will be honored which should be at least 90 days from the date of the proposal.
- The signature of the person authorized to commit the company.

B. Body of Proposal

The body of the proposal must provide the following information:

- Evidence of technical knowledge and experience in the accounting principles and financial reporting practices involved.
- Evidence that the audit personnel assigned meet the Generally Accepted Government Auditing Standards, 1999 revision, and continuing education.
- Prior experience of the local firm office or key auditor and staff.
- A statement that demonstrates an understanding of the work that will have to be performed under the contract.
- A copy of the most recent external quality control and peer review with corresponding letter of comments conducted of the firm.
- An estimate of the time required to perform each audit step set forth in the “audit program” section of the Provider Audit Guidelines. To facilitate uniform evaluation of RFP submissions, the following format will be preferred:

	Estimated Hours
• Reporting	
• Assets	
• Liabilities	
• Expenses	
• Engagement Administration	
• A-133 Compliance	

Appendix D

Sample Request for Proposal Proposal Document Instruction

- A schedule of progress meetings, consultation meetings and draft report reviews.
- Personal resumes of partner, manager or key auditor and in-charge accountant(s).
- Any additional audit work in excess of required audit work contemplated, including additional hours should be clearly explained in the proposal.
- Please limit the proposals including cover letter to fifteen (15) pages.

C. Fee Schedule

Costs should be detailed according to:

- Professional services, and
- Expenses such as travel, clerical support, reproduction, etc.

Costs for professional services must be shown according to hourly rate per classification and estimated number of hours per classification to be spent for completion of the work.

This fee schedule should be submitted as a brief letter, and in a **separate, sealed** envelope to be opened after the proposals have been evaluated. Please submit one copy of the fee schedule.

Appendix D

Sample Request for Proposal Special Provisions

IV. SPECIAL PROVISIONS

A. Prerogative

The executive director reserves the following prerogatives:

- To reject the proposal.
- To change phase due dates after agreement with the accounting firm.
- To accept or reject any of the accounting firm's employees assigned to this project, and to require their replacement at any time.
- To terminate the contract following 10-days' written notice to the accounting firm.

B. Contract Period

The purchase of a professional services contract shall cover three-fiscal periods that will commence with the period ended (date) and continue through completion of the third-audit period ending (date). A separate audit report and management letter will be issued for each fiscal period.

C. Assignability

The contractor cannot transfer any interest or provide for the assignment of the purchase of Professional Services Contract with (Name of Agency), either in whole or in part, without the expressed permission and written consent of the executive director.

D. Payment

Payment for services rendered will be processed at the end of each month upon receipt of an itemized statement from the contractor. The itemized statement shall describe hours spent by each professional and out-of-pocket cost as described in Section C. A progress report shall be included and shall give a brief description of audit work completed and remaining, as well as give an indication of the percentage of audit work completed. Progress payments will not exceed the percentage of completion and will not be processed unless a progress report has been received. Not more than 70 percent of the fee will be paid prior to receipt of a draft copy of the report and management letter.

Appendix D

Sample Request for Proposal Special Provisions

E. Ownership

All proposals and reports become the property of (Name of Agency), upon submission, for use as deemed appropriate. Workpapers must be available for reference by (Name of Agency), for a period of six years from submission of the report. A copy of all adjusting entries made during the course of the audit should be given to the project officer.

F. Confidentiality

The proposal will be kept in strict confidence by (Name of Agency). The contractor may not issue news releases or other public notification regarding this project without prior approval from the executive director.

G. Special Meetings

Prior to the actual commencement of the audit, a pre-audit conference with the executive director and project officer must be held. A progress meeting will be held at the mid-engagement point to discuss pertinent matters applicable to the engagement. An **exit conference** will be held at the end of the audit to discuss findings and recommendations resulting from the audit work performed. A typed draft copy of the report will be provided to the executive director and project officer at least two days prior to this time. In addition, **special meetings** will be scheduled when matters of importance are discovered that require determination of a course of action. Scheduling of these meetings will be the responsibility of the accounting firm.

H. Expansion in Scope

Should an issue arise that requires the scope of the audit to be expanded, the auditor should immediately inform the executive director of the nature of an issue, and the estimated additional costs. An agreement to modify the contract shall be made prior to continuing the audit.

Appendix D

Sample Request for Proposal Engagement Letter

V. ILLUSTRATIVE AUDIT ENGAGEMENT LETTER

{ Addressee }

This letter sets forth our understanding of the terms and objectives of our engagement, the nature and scope of the services we will provide and the related fee arrangements.

We will audit the organization's financial statements as of and for the year ended [date], in accordance with generally accepted auditing standards, the standards for financial audits contained in *Government Auditing Standards*, issued by the comptroller general of the United States and with the provisions of Office of Management and Budget Uniform Guidance for Federal Awards, dated December 2014. The objective of an audit carried out in accordance with such standards and regulations is (1) the expression of our opinion concerning whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the organization in conformity with generally accepted accounting principles, (2) a report on our determination that the internal control structure provides reasonable assurance of compliance with federal and other laws and regulations, and (3) the expression of an opinion on whether the organization complied with specific terms and conditions of its major federal award programs.

As part of our audit, we will consider the organization's internal control structure and assess control risk, as required by generally accepted auditing standards, for the purpose of establishing a basis for determining the nature, timing, and extent of auditing procedures necessary for expressing our opinion concerning the financial statements, and not to provide assurance on the internal control structure. The management of [name of organization] is responsible for establishing and maintaining an internal control structure. To fulfill this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs for internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Appendix D

Sample Request for Proposal Engagement Letter

We will prepare a separate written report on our understanding of the organization's statement audit. Our report will include (1) the scope of our work in obtaining an understanding of the internal control structure and in assessing the control risk (2) the organization's significant internal controls or control structure, including the controls established to ensure compliance with laws and regulations that have a material impact on the financial statements and (3) the reportable conditions, including the identification of material weaknesses identified as a result of our work in understanding and assessing the control risk. As required by OMB Uniform Guidance for Federal Awards, we will also prepare a written report on our understanding, assessment, and testing of the internal control structure as it relates to major federal award programs.

Our audit will include procedures designed to provide reasonable assurance of detecting errors and irregularities that are material to the financial statements. As you are aware, however, there are inherent limitations in the auditing process. For example, audits are based on the concept of selective testing of the data being examined and are, therefore, subject to the limitations that such matters, if they exist, may not be detected.

Also, because of the characteristics of irregularities, including attempts at concealment through collusion and forgery, a properly designed and executed audit may not detect a material irregularity.

Similarly, in performing our audit, we will be aware of the possibility that illegal acts may have occurred. However, it should be recognized that our audit provides no assurance that illegal acts generally will be detected and only reasonable assurance that illegal acts having a direct and material effect on the determination of financial statement amounts will be detected.

Compliance with laws, regulations, contracts, and grants applicable to [name of organization] is the responsibility of [name of organizations]'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of [name of organization]'s compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective is not to provide an opinion on overall compliance with such provisions.

As required by *Government Auditing Standards*, we will prepare a separate written report on our tests of compliance with applicable laws and regulations. This report will contain a statement of positive assurance on those items that were tested for compliance, negative assurance on those items not tested, and a description of all material instances of noncompliance.

Likewise, compliance with provisions of laws, regulations, contracts, and grants that govern federal programs is the responsibility of management. As required by OMB Uniform Guidance for Federal Awards, we will determine and report on whether the

Appendix D

Sample Request for Proposal Engagement Letter

organization complied in all material respects with the laws and regulations that apply to its major federal award programs. With regard to transactions selected from non-major programs, our report on compliance will obtain a statement of positive and negative assurance, as discussed above.

At the conclusion of the engagement, [name of organization]'s management will provide to us a representation letter that, among other things (1) will confirm management's responsibility for the preparation of the financial records and related data, compliance with provisions of laws, regulations, contracts, and grants that govern federal programs, the completeness and availability of all minutes of board of directors (and committee) meetings and the absence of irregularities involving management or those employees who have significant roles in the control structure.

We understand that our reports on the internal control structure as part of the financial audit and on compliance with laws and regulations are intended for the information of the audit committee, management, and others within [name of organization] and [specify legislative or regulatory body].

Our fees for the audit will be [describe fee arrangement]. We anticipate completing the engagement by [describe timetable], unless unexpected factors are encountered. This timetable has been discussed with and agreed to by your [internal audit and] accounting department[s], which will provide assistance to us in the audit. Should circumstances prevent [name of organization] from providing this assistance, our timetable and fee are likely to be affected. [On fixed fee agreements, the auditor may include wording indicating that he or she may have to revise the fee estimate and timetable for unexpected factors of which he or she becomes aware after the engagement has begun.]

We shall be pleased to discuss this letter with you.

[Signature]

[Date]

NOTE:

1. Other matters may be included. This sample letter should be modified as necessary.

Appendix E

Choosing an Auditor

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Appendix E

Choosing An Auditor – Evaluation of Proposals

I. EVALUATION OF PROPOSALS

The proposals will be evaluated based on the following criteria:

A. Mandatory Criteria

- Any firm that does not submit the bid in a separate, sealed envelope should be eliminated from the evaluation process.
- All firms should meet certain minimum standards. These minimum standards can be determined by the laws governing the entity, its general internal policies and its policies regarding the specific audit engagement. Firms submitting the proposal should meet each of the following criteria:
 1. Should meet the appropriate state licensing requirements.
 2. Should meet the applicable independence standard.
 3. Should have a record of responsible work.
 4. Should provide a copy of the most recent external Quality Control Review Report.

Report and comply with applicable requirements for peer review and continuing professional education. The Quality Control Review Report is required every three years. If an accounting firm is newly formed, and does not have a Quality Control and Peer Review Report, and corresponding letter of comments then do the following **in addition to** obtaining references and resumes of key staff:

- Obtain a Schedule of CPE courses taken by each staff person with Single Audit courses highlighted.
- Contact the Department of State (Pennsylvania) Bureau of Professional and Occupational Affairs to obtain licensure status of the individuals.

B. Technical Criteria

Those proposals that have met the criteria in Section A above will be evaluated on the following criteria:

- Understanding the Audit Requirements

The response contained in the proposal should demonstrate clearly that the bidder has an understanding of the audit's objective(s), the organization's needs and the final products to be delivered.

Appendix E

Choosing An Auditor – Evaluation of Proposals

- Soundness of Technical Approach:
 1. The proposal should outline the expected schedule of work (date of completion of fieldwork, issue of final report date, etc.)
 2. The proposal should outline the expected schedule of work (date of completion of fieldwork, issue of final report date, etc.)
 3. The proposal should indicate that the firm will use:
 - a) A systematic approach in examining systems and internal controls, and
 - b) Effective procedures, including consideration of risk and materiality factors to determine the extent of audit testing and review necessary.

C. Qualifications and Technical Experience of the Audit Firm

- The audit firm's or key auditor's experience in performing the audit engagement of a similar type and size entity.
- The audit firm or key auditor should provide a list of references which will support experience including resumes and continuing professional education.
- The proposal should specify the name of the key person, and the audit team's education and experience in the type of work that the audit entails.
- The continuing professional education of the key person and staff should be explained in detail. Notification of any change in the key person should be in writing to the entity.
- If the proposal is for a multi-year contract, the proposal should provide an approach for planning and conducting work efforts of the subsequent year(s).

D. Audit Cost

Once the technical evaluation and review are completed, the prices offered by the bidders shall be reviewed and elect the proposal that is most advantageous to the entity.

E. Rating the Proposals

Appendix E

Choosing An Auditor – Evaluation of Proposals

A point scale rating can be used to rank the proposals received using the following format:

Criteria	Available Points
1. Responsiveness of the proposal in understanding the work to be performed:	0-20
a. Audit coverage	0-10
b. Realistic time estimates of each major segment of the work plan and estimated number of hours for each staff level.	0-10
2. Technical experience of the firm:	0-20
a. Engagement of audit of the type under consideration	0-10
b. Audits of local governments	0-05
c. Audits of similar entities	0-05
3. Qualifications of staff to be assigned to the audit. Education, including continuing professional education, position in the firm, and types of experience will be considered	0-20
a. Qualifications of the audit team	0-15
b. Supervision to be exercised over the audit team by the firm's management	0-05

Appendix E

Choosing An Auditor – Evaluation of Proposals

II. RFP TECHNICAL EVALUATION

Audit Firm: _____

**RFP
SECT A
P 6**

**RFP
EVAL
P 15**

2D	E1A	Responsiveness of the accounting firm must clearly understand work requirement and audit coverage, the audit firm’s approach should be sufficiently detailed to prove a thorough understanding of Allegheny County Provider Audit Guidelines/RFP.
2F	E1B	Realistic time estimates the accounting firm in accordance with RFP supplement detail form must clearly detail by element, their estimate of time required to fulfill all work requirements. Comparison of past 3-year historical hours incurred must be utilized in order to establish an analysis base line.
2C	E2	Technical and relative experience of firm, the accounting firm must describe the “recent” local/regional auditing experience relative to the audit work being bid.
2A/B/E/H	E3	<p>Qualification and experience of the audit team/firm, the accounting firm in regard to the proposed audit team should provide evidence of technical knowledge and experience in the accounting principles and financial reporting practices involved, evidence that team meets government auditing standards, continuing education and a copy of the most recent external quality control review conducted of the firm. If an accounting firm is newly formed, and does not have a Quality Control Report, then do the following getting references and resumes of key staff:</p> <ul style="list-style-type: none">a. Obtain a schedule of CPE courses taken by each staff person with single courses highlighted.b. Contact the Department of State (PA) Bureau of Professional and Occupational Affairs to obtain licensure status of the individuals.
2H	E4	Size and structure of the firm, an understanding of the size, structure, composition of the accounting firm should be attained in relationship to the assumption of the agency audit.

Appendix E

Choosing An Auditor – Evaluation of Proposals

(If the firm is a sole proprietorship, this need not be taken into consideration).

Appendix E

Choosing An Auditor – Audit Proposal Hours Analysis

III. AUDIT PROPOSAL HOURS ANALYSIS

The accounting firm's proposed hours is analyzed as follows:

Audit Scope Element	Firm #1	Firm #2	Firm #3	Firm #4	FY 97/98	FY 98/99	FY 99/00
Reporting							
Liabilities							
Revenue							
Expenses							
Engagement Mgmt							
A-133 Compliance							
TOTAL							

Appendix E

Choosing An Auditor – RFP Results

IV. RFP EVALUATION FORM

Accounting Firm: _____ Technical Points Awarded: ____

Section EIA *Points Available: 10*

Audit Coverage

The accounting firm’s approach should be sufficiently detailed to prove a thorough understanding of the work to be performed as exhibited within the Allegheny County audit guide.

Grading

Based on review of all proposal(s) that best exemplify the RFP intent should receive highest awarded point.

Grading Points	10	Excellent*
	8	Good
	6	Above Average
	4	Sub Par

*Provide adequate staffs and supervising partner, all of who have current human services programs exposure. By virtue of this approach, objectivity in regard to agency/county dispute resolutions should be achieved.

Appendix E

Choosing An Auditor – RFP Results

Section E1B

Points Available: 10

Realistic Time Estimates

The accounting firm by work element must clearly detail the number of hours to be incurred as well as staff to be utilized. Given the amount of work to be performed, the total hours planned for each activity and entire project should be comparable to past/present hours bid by current auditor of record.

Grading

If the accounting firm's hours are closely comparable to past/present hours of current auditor of record, then little or no dissatisfaction should occur.

Grading Points	10	Hours identically comparable to past/present in total hours as well as by element.
	8	Total hours comparable but element hours differ from current auditor of record.
	6	Total hours 10% to 25% different in comparison to current auditor of record's past/present hours.
	4	Total hours 26% or more different in comparison to current auditor of record's past/present hours.

Appendix E

Choosing An Auditor – RFP Results

Section E2A

Points Available: 10

Technical Experience

The key auditor's or accounting firms of current/past experience in the performance of similar type of audits being bid must be examined.

Grading

Stratification of results should be reflective of those who have current human services program's audit exposure in similar program and agency, and to a lesser grading those who only have past or limited experience.

Grading Points	10	Current experiences, both in similar programs and human service provider agency
	8	Current experience only in 1 type
	6	Past experience in all types
	4	Non-Profit exposure but not human services exposure

Appendix E

Choosing An Auditor – RFP Results

Section E2B

Points Available: 5

Technical Experience Auditing Local Government

The key auditor's or accounting firm's exposure to county Single Audit and corresponding human service subrecipient audits is integral to the development of the county program audit reports utilized by county government.

Grading

Stratification of results should be respective of those accounting firms who have current county government experience, past or none at all.

Grading Points	5	Current Experience
	4	Prior Experience
	3	Limited Experience - Other Governmental Entities
	0	No Experience Listed

Appendix E

Choosing An Auditor – RFP Results

Section E2C

Points Available: 5

Experience Auditing Similar Entities

The key auditor's or accounting firm should list exposure to other human service fields such as Drug and Alcohol, Homeless and Hunger or other human service organization.

Grading

Stratification of results relative to exposure listed relating to the types listed

Grading Points	5	Current exposure to all types
	4	Current exposure to 2 types
	3	Current exposure to 1 type
	2	Past exposure to all types
	1	Past exposure to 1 type

Appendix E

Choosing An Auditor – RFP Results

Section E3A

Points Available: 15

Qualification of Audit Team

The accounting firm should clearly identify audit team(s), as well as their respective education, continuing education credit, position in the firm, and personal experience in auditing the type under consideration.

Grading

Stratification of results should be reflective of the following in comparison to that of the current auditor:

1. Staffing Number of CPA's/Accountants assigned to project
2. Continuing Education Review resumes for hours earned
3. Education Review resumes for degrees, etc.
4. Experience Review resumes for "recent" or "past" Human Service Program exposure
5. External Quality Review must be reviewed

Grading Points 15 * Meets or exceeds present auditor in all 5 elements

10 * Meets or exceeds present auditor in only 4 elements

Either # **or** staff committed to project **or** external quality review was qualified/minimal, experience in relation to MH/MR is not current or limited.

5 * Meets or exceeds present auditor in only 3 or less elements, also two or more of the following applies.

- Human Service county government exposure is not current
- Number of staff committed to project is comparatively low
- Missing or subpar external quality review
- Subpar continuing education

*Assume present auditor of record meets all 5 elements satisfactorily. If not, it is time for a change.

Appendix E

Choosing An Auditor – RFP Results

Section E3B

Points Available: 5

Supervision to be Exercised Over the Audit Team by Firm’s Management

The accounting firm should clearly list those partners/managers who will supervise the audit.

Grading

Stratified recognition should be given on the organization’s supervisory structure as well as the number of supervisors committed to the Allegheny County projects. Proper supervision would be support exercised by supervisors possessing in-depth credentials as well as current human service experience.

Grading Points	5	Excellent structure, depth, and human service experience
	4	Supervision limited but current human service experience
	3	Excellent structure and depth but no current human service experience
	2	Limited supervision and no current human service experience

Appendix E

Choosing An Auditor – RFP Results

Section E4

Points Available: 5

Size and Structure of the Firm

Based upon evaluation of the size and structure of the accounting firm, the ability to successfully meet the workload requirements. Facts to consider was the proposal a joint venture based on bid hours and staff committed to the agency's audit and existing commitments can accounting firm realistically manages the workload.

Grading

Stratify recognition of those accounting firms who, based on review, seem to have sufficient organizational structure/staff to realistically and successfully complete audit work.

- | | | |
|-----------------------|---|---|
| Grading Points | 5 | Realistic hours in relation to available staff, large firm |
| | 4 | Realistic hours in relation to available staff, but joint venture |
| | 3 | Realistic hours in relation to available staff, small staff |
| | 2 | Unrealistic hours in relation to available staff |

Appendix E

Choosing An Auditor – RFP Results

V. RFP RESULTS

Technical Criteria	Available Points	Firm #1	Firm #2	Firm #3	Firm #4
E1A	10				
E1B	10				
E2A	10				
E2B	5				
E2C	5				
E3A	15				
E3B	5				
E4	5				
TOTAL	65				
E5 cost	35				
TOTAL POINTS	100				

Scoring Formulas

Technical = $\frac{65 \times \text{technical score of "this" proposing accounting firm}}{\text{technical score awarded}}$

Cost = $\frac{35 \times \text{lowest cost of all "acceptable bids received*}}{\text{cost of bid for "this" proposing accounting firm}}$

***NOTE:** IF THE LOWEST COST BID IS ALSO THE FIRM WITH THE LOWEST TECHNICAL SCORE, DUE CONSIDERATION SHOULD BE GIVEN FOR REMOVAL FROM COST CONSIDERATION.